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NEWS SUMMARY

GENERAL

Pay offer 'an insult' says Scargill

The National Coal Board offered miners a 6.5 per cent pay rise and said it would be the final offer if the miners' union refuses to explore ways of improving the industry's difficulties.

Miners' leader Arthur Scargill described the offer as "an insult to mineworkers." The union had sought an increase of about 31 per cent. Back Page, Page 9

Stansted 'threat'

Development of Stansted into London's third airport could hit major capital projects planned for the north of England, said a group in evidence prepared for the airport inquiry. Page 7

Inside the limits

English councils will underspend their cash limits by more than £1bn in 1982-83 if the first quarter spending pattern continues, said the Environment Department. Page 8

Beckett backed

The CBI passed a vote of confidence in its director-general Terence Beckett, after Taylor Woodrow's resignation from the organisation last month. Page 8

No extradition

Switzerland said it will not extradite to Poland the four gunmen who occupied the Polish embassy in Berne last week.

Oil 'flows'

Iran said normal loading was taking place at its Kharg Island terminal in spite of Iraqi efforts to halt Iran's crude oil exports.

Hess in hospital

Rudolf Hess, 88, Hitler's former deputy, a prisoner for more than 40 years, was moved to the British Military Hospital in West Berlin for tests.

Security 'beaten'

A team of commandos hired to test security at U.S. Government nuclear weapons plants, entered a plutonium-making complex in South Carolina, an Atlanta newspaper reported.

Tourist injured

A Hungarian tourist in Rome was badly hurt when Giuseppe Maranta, a suspected thief, threw himself from a third-floor window and landed on top of her. Maranta was also badly injured.

Europe row

Labour Euro MPs attacked the European Parliament's 30th anniversary celebrations, saying they were a waste of money and an insult to Europe's 10m unemployed.

Fan killed

Glasgow Rangers fan Peter Watson, from Glasgow, died after being hit by a car in Eindhoven while on his way to a football match in Dortmund.

Liberal post

The Liberal Party will establish a Minister for Culture if they win the next General Election, according to a party document.

Beatles bronze

Royal Life Insurance gave £40,000 towards a bronze statue of the Beatles to stand on the site of the Cavern Club, in Liverpool, where the group shot to fame.

Briefly....

Kristjan Eldjarn, 65, the President of Iceland between 1968-80 died in the U.S. after heart surgery.

Princess Grace of Monaco will be buried on Saturday in Monaco's cathedral.

Ron Charnock, 43, of Essex, laid 783 bricks in an hour to retain the National Bricklaying Championship.

BUSINESS

Equities off 9.5; sterling steady

● EQUITIES slid on examination of the latest UK industrial output figures. The FT 30-share index lost 9.5 to 576.2 Page 35.

● GILTS gains extended to ½ in longs after an initial sharp rise in U.S. bonds. The Government Securities index added 0.11 to 77.86. Page 35

● WALL STREET was 0.19 up at 923.2 at mid-session. Page 37

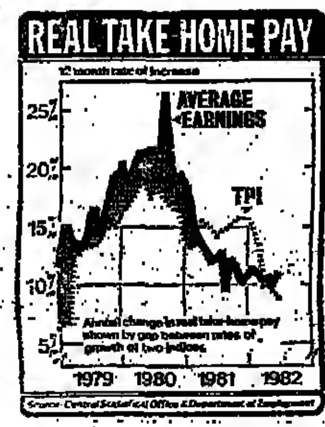
● DOLLAR recovered in late trading, closing at Y263.25 (Y262.9), DM 2.515 (DM 2.509), SwFr 2.145 (SwFr 2.14) and FFr 7.095 (FFr 7.0925). Its trade-weighted index was 122.1 (122.5). Page 36

● STERLING eased to $1.7075, a fall of 5 points, and FFr 12.1075 (FFr 12.11) but firmed to DM 4.295 (DM 4.2875) and SwFr 3.6625 (SwFr 3.6575). Its trade-weighted index was 91.7 (91.6). Page 36

● GOLD fell $10 to $443.5 an ounce in London. In New York the Comex September close was $445 ($437.3). Page 33

● EARNINGS' annual underlying increase was about 9 per cent in the pay round that ended in the summer, Whitehall

REAL TAKE HOME PAY



Source: Central Statistical Office & Department of Employment

estimates. Retail price inflation was at an annual rate of 8.7 per cent in July. Two-year output down. Page 8

● GOVERNMENT BROKER is to be Nigel Althaus, stockbroker Pember and Boyle's senior partner. Back Page; Men and Matters, Page 22

● U.S. INDUSTRIAL output index dropped 0.5 per cent in August, the 11th decline in 13 months. Page 4

● POLAND had a first-half trade surplus of $111m (£65m) after cutting its Western import bill 38 per cent. Page 2

● BELGIUM'S export-oriented recovery programme has achieved "marked improvements" in industry's competitiveness, says an EEC report. Page 3

● INMOS is pressing for £10m more state aid or it may have to defer volume microchip production at its plant near Newport, South Wales. Back Page

● PHILIPPINES is giving more incentives to makers of semiconductors which accounted for nearly 11 per cent of the value of 1981 exports. Page 6

● UNITED Technologies intervened at a crucial moment in the Bendix-Martin Marietta takeover battle with an increased offer for Bendix. Page 29

● GLOBAL NATURAL Resources rebel shareholders will continue the fight to sack the whole board after ousting one of the directors. Page 8

● EAGLE STAR insurance company said it was setting aside more money to cover claims arising from byssinosis, industrial cotton dust disease. Results, Page 24; Lex, Back Page; Legal and General results, Page 25

● RIO TINTO-ZINC, mining and industrial group, reported first-half net atributable earnings 38.5 per cent down at £28.9m. Back Page and Lex; Details, Page 28

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES:		
Exch. 12pc 1998	£106⅛	+ ⅛
Courts "A"	103	+ 4
Scholes (G. H.)	420	+ 20
Stylo	109	+ 8
Tate & Lyle	184	+ 4
FALLS:		
BTR	336	− 10
Bowater	197	− 4
Danish Bacon "A"	63	− 9
Eagle Star	334	− 6
Grand Met.	273	− 6
GKN	135	− 5
Hanson Trust	165	− 6
Hawker Siddeley	356	− 10
ICI	304	− 4
Ladbroke	143	− 6
Legal & General	298	− 10
Lucas Inds.	135	− 7
Plessey	555	− 10
Ropner	110	− 7
Thorn EMI	390	− 10
Tilling (T.)	118	− 10
Westland	121	− 14
BP	292	− 6
Burmah Oil	135	− 17
Candecca	168	− 11
Cons. Gold Fields	450	− 23
RTZ	418	− 16

France seeks $4bn on Euromarkets in bid to buoy up franc

BY DAVID HOUSEGO IN PARIS

THE FRENCH Government yesterday showed its determination to avoid a third devaluation of the franc this year by announcing plans to bolster its foreign exchange reserves through a $4bn (£2.3bn) loan from international capital markets.

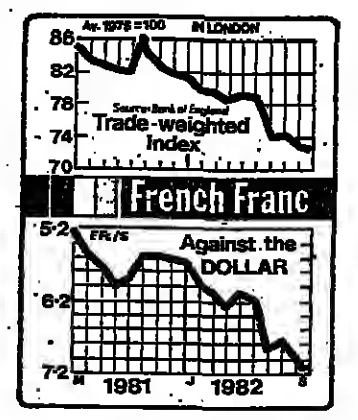
The loan is the largest Euromarket borrowing since the Mexican debt crisis which has unsettled Euromarkets for several weeks. It is the first to be raised by France since former President Giscard d'Estaing launched a stand-by credit of $1.5bn in 1974.

The 10-year loan will carry a margin of 0.5 per cent above Libor (London Interbank offered rate). The lead manager is Société Générale.

Bankers said yesterday the terms were "tight" in existing market conditions, and also implied that prime French borrowers would have to pay rates of ⅛ over Libor rather than the ⅛ they have enjoyed.

The borrowing, equivalent to FFr 28bn, will almost double France's reported disposable foreign exchange reserves which stood officially at FFr 29bn on September 2. Recent intervention by the Bank of France in support of the franc has resulted in an estimated weekly drain on the reserves of FFr 4bn—a return to the same rhythm as before the June devaluation.

M Jacques Delors, the Finance Minister, underlined yesterday that the borrowing would be "sterilised" within the Bank of France and would not be used to fund the budget deficit, thus refuelling inflationary pressures.



In a parallel effort to halt the pressure on the franc, President Francois Mitterrand for the first time personally endorsed the austerity economic programme which so far has been presented by M Pierre Mauroy, the Prime Minister and M Delors.

After the weekly cabinet meeting yesterday the President said: "It must be made clear to everybody that speculation *cannot hope to succeed* in forcing France to devalue its money."

Foreign exchange dealers said the loan would bring the franc a breathing space but that the same economic problems would return to haunt the currency in a few months' time.

M Delors said, however, that he *expected* that *six months* from now the government's tough economic measures would show results in terms of much improved trade and inflation figures.

The government feels that the foreign exchange markets have not given it credit for its recent budget measures and wages policy.

M Delors said it was prepared to raise interest rates to defend the franc if needed. France would pursue "convergent" economic policies with other major industrialised countries—even if this meant a slowing down in the growth rate.

He said the loan demonstrated France's determination to remain in the European Monetary System (EMS).

President Mitterrand's hopes that in raising the loan—unpalatable to the Socialists but accepted in the present difficult circumstances—the Government will be able to ward off pressure on the franc, until at least after the critical municipal elections in March.

The franc, which fell on Tuesday to a new low against the D-Mark of FFr 2.832, steadied yesterday at FFr 2.823. Other comforting news for the Government yesterday was that for the second consecutive month the retail price index rose

Continued on Back Page

Bonds column, Page 29

Money Markets, Page 36

BL makes good progress towards profitability

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

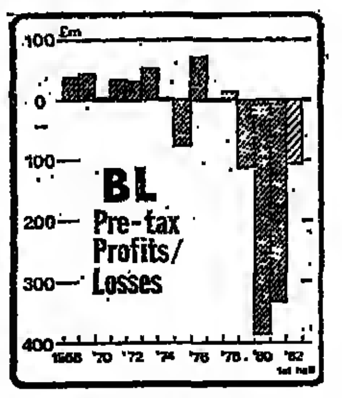
BL IS making good progress towards profitability and the board feels it should be possible to seek private sector equity investment in the mainstream vehicles operations, Sir Michael Edwardes, the chairman, said yesterday.

BL's net loss for the first half of this year was down to £143.4m from £225.8m in the corresponding period of 1981.

"The picture is of a sustained reduction of losses in spite of a slight drop in unit sales and virtually static sales revenue," said Sir Michael.

BL was on target to meet trading profit and cash flow objectives for 1982 and 1983. *However, the forecast that the* group would break even at trading level next year has been modified downwards. Sir Michael said: "We still aim to approach break-even at the trading level (before interest and tax) in 1983."

BL has been under considerable pressure recently from Mr Patrick Jenkin, the Industry Secretary, to return parts of the group to private ownership but the suggestion that it might find private investors—even for



companies like Land-Rover and Jaguar which seem capable of making profits—met with considerable scepticism in the City last night.

Sir Michael refused to be drawn on the subject, saying that proposals would be made in the corporate plan still being compiled and there had been no time to discuss them with the *Government*. But he said: "There will not be a frenetic search for private investment—or an irresponsible one."

By the year-end BL will have drawn down all the outstanding £320m of the £990m promised by the Government but it will not now need all the £150m previously requested for 1983-1984, Sir Michael said. There would be a "meaningful reduction" from this figure.

Both the cars division—trading loss for the first half down from £95m to £37m—and Land-Rover-Leyland, with a loss reduced from £47m to £21m, contributed to the improvement in the half-year figures. Vehicle production was up from 278,000 to 287,000.

Sales in the half year rose from £1.405bn to £1.455bn including direct exports worth £454m (£414m).

The trading loss was £61.3m (£143m). Interest cost £45.2m (£47.1m), taxation £3.7m (£2.5m), minority interests £1.5m (£2.9m) and extraordinary items (plant closures, redundancies) £31.7m (£30.3m) giving a net loss of £143.4m (£225.8m) after charging depreciation and amortisation of £72.8m (£68m).

Edwardes counts cost of failing to cash in on LC10, Page 9

Editorial Comment, Page 22

Lex, Back Page

Saudis help find £40m for Lear Fan

BY OUR BELFAST CORRESPONDENT

A SAUDI ARABIAN-LED consortium is to provide between £35m and £40m of fresh capital for Lear Fan, the Northern Ireland and U.S.-based company which is developing an executive aircraft made largely of carbon fibre.

The British Government, which has already provided an estimated £34m, is expected to increase its grant support by about £10m.

The refinancing was announced yesterday by the company, which expects to begin deliveries of the aircraft in a year's time. Lear Fan also announced that it hoped to employ 2,800 people in Northern Ireland eventually, compared with its original target of 1,250. It now has 560 Northern Ireland employees, with another 400 people engaged on research in the U.S.

It declined to name the new investors, who include U.S. interests and will have a majority stake in a new parent company being set up in the U.S.

Lear Fan was set up in March 1980 and has spent an estimated £70m on the development of the 10-seater aircraft, the brainchild of the late Mr Bill Lear, a U.S. aviation innovator.

Yesterday's announcement by the board ended months of concern about the company's ability to raise the £50m said to be needed to put the aircraft through its certification programmes and into production. Ministers are clearly relieved that private development capital has been found to safeguard the company's future.

The new parent company, Fan Holdings Incorporated, will be

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All systems go for Lear Fan take off, Page 7

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For latest Share Index phone 01-246 8026

Computer plan for all social security

By Elaine Williams

A SCHEME to computerise Britain's social security operations has been proposed at a cost of £700m.

If the plan goes ahead, as outlined in a Government Green Paper published yesterday, it will be the biggest investment in computers ever made by a UK Government department.

The proposal comes at a time of great controversy over Government policy in awarding contracts for computer systems.

Mr Antony Newton, Under-Secretary of State for Health and Social Security, who announced the scheme, stated that contracts for the computerisation will be offered in accordance with European Community and General Agreement on Tariffs and Trade rules, allowing international companies to tender.

However, he did not rule out the possibility that certain parts of the contract could be subject to single tender action. He stressed that this would take place only under special circumstances such as the need for compatibility with existing equipment.

The scale of social security operations is enormous. About £27bn is paid to 24m people each year. The DHSS has 117,000 staff to administer the 30 different types of benefit. Each year, it costs £1.4bn simply to run the service.

Mr Newton said that the modernisation of the DHSS would save £1.9bn in administrative costs over the next 20 years and that 20,000 fewer staff would be needed to run the system.

Assessment and payment of a wide range of benefits paid by the DHSS would be quicker and easier. Claimants could eventually obtain all their benefits from one office instead of having to visit several offices as they *must today*.

Mr David Ward, under-secretary in charge of computer systems at the DHSS, said: "We are engaged in a mammoth paper chase. We estimate that 5,000 local office staff are needed simply to locate and move bits of paper around offices."

The Government plans to split the introduction of computers into 14 major projects. It will begin by ordering 3,000 microcomputers to be installed in local social security offices beginning next year.

Mr Newton indicated that several manufacturers may be involved in this because of the large number of units involved and the pressing need to introduce computers in local offices.

The eventual network will contain about 70 large com-

Continued on Back Page

U.S. restraint call as Israelis move into West Beirut

BY NORA BOUSTANY IN BEIRUT AND REGINALD DALE IN WASHINGTON

ISRAELI ARMOUR and troops seized key positions in mainly Moslem West Beirut yesterday after the assassination on Tuesday of Mr Bachir Gemayel, Lebanon's President-elect.

The U.S. Government issued fresh calls for restraint from all parties and launched urgent consultations with the Israeli and Lebanese Governments in an attempt to avoid a new flare-up.

Israeli forces met only light resistance from Left-wing Moslem militias as they moved forward on three fronts after low-level swoops over the city by fighter aircraft.

The streets of Beirut were almost deserted and many citizens appeared stunned by the news of Mr Gemayel's death just eight days before he was due to be sworn in as President.

Thousands of Christian mourners, accompanied by leaders of the Moslem community, attended his funeral service at the village of Bickfaya, outside Beirut.

As the service was taking place Israeli gunboats shelled the coastline in support of troops advancing near the port area. Shells were seen crashing into heavily built-up areas just ahead of the Israeli armour.

The Israeli army said its troops were moving forward to "predetermined targets."

"This step was taken to prevent the reorganisation of terrorists and Left-wing organisations," it said.

Another Israeli statement said that the push into West Beirut was undertaken to "prevent fighting and secure peace."

Mr Chafiq al-Wazzan, Lebanese Prime Minister, condemned the Israeli move.

"These justifications have been conveyed to me by President Reagan's new envoy to the Middle East, Mr Morris Draper. *But I told Mr Draper* these justifications were unacceptable," he said.

In Washington the White House and the State Department said that Mr Reagan planned to redouble his efforts to reach an overall peace agreement for the Middle East in the light of the latest crisis.

Officials admitted that Mr Gemayal's assassination and the Israeli advance into West Beirut had "complicated" his task.

The State Department refused to be drawn into discussion of whether it thought the Israeli move into West Beirut was justified and refused to issue a call for an immediate withdrawal.

Officials said that the U.S. aim remained complete withdrawal from the country by all foreign forces, but that "no scenario" was yet in place for this.

The State Department said that it would have been "helpful" if Israel had consulted Washington before moving troops into West Beirut. The U.S. had not been told in advance, and had therefore not acquiesced in the move, it said.

The U.S. is now worried that the threat of further fighting will encourage Israel to prolong her stay and slow the next steps *in the peace process*.

That impression seemed confirmed yesterday by Mr Moshe Arens, Israeli Ambassador in Washington, who warned on U.S. television that "all hell would break loose" without the Israeli "policing" operation.

There was still no indication of who was responsible for placing the huge explosive charge which brought down the two top floors of the Phalangist Party headquarters in East Beirut, killing Mr Gemayel and 26 party members.

As Western Governments deplored the killing and appealed for restraint, a wide range of Lebanese leaders paid tribute to Mr Gemayel. They included some prominent Moslems who, though they opposed Mr Gemayel's political ambitions, also saw in his election to the Presidency an opportunity to remove all foreign forces from Lebanon.

They had been impressed by Mr Gemayel's recent attempts to distance himself from Israel, and his determination that Mr Menahem Begin, the Israeli Prime Minister, should eventually order his troops out of the country along with Syrian forces and the remaining Palestinian fighters in the east of Lebanon.

A Lebanese delegation held talks in Damascus yesterday with the Syrian leadership, which also appeared to have been caught off balance by the assassination.

A Syrian official said that only Israel would profit from the assassination.

In Rome Mr Yasser Arafat, chairman of the Palestine Liberation Organisation, said before going to an audience with the Pope that he was sorry that Mr Gemayel had died. He added: "It is a provocation by the Americans and the Israelis so that the Israelis could enter Beirut."

Repercussions of Gemayel's death, Page 5

£ in New York

—	Sept. 14	Previous
Spot	$1.7060-7070	$1.7100-7115
1 month	0.09-0.12 pm	0.12-14 pm
3 months	0.57-0.60 pm	0.60-63 pm
12 months	3.75-3.85 pm	3.80-3.90 pm

IMPORT BILL FROM WEST CUT BY 38%

Poland has first half trade surplus

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

POLAND MANAGED to cut its import bill from the West by 38 per cent in the first half of this year to $2.24bn, compared with $3.6bn in the same period of 1981, according to figures circulated to Western banks by the Ministry of Finance.

As hard currency exports fell by only 21.5 per cent to $2.35bn, the country was able to notch up a trade surplus of $111m compared with a deficit of $604m in the first half of last year and a shortfall of $147m in the second half.

The figures show that monthly export receipts increased steadily from $331m last December to $402m in June, due mainly to the improving situation in the mining industry and an increase in coal exports. Industrial exports were still held back by a shortage of spare parts and materials.

Despite its improving trade position, Poland was obliged to use rash for a higher proportion of its imports toan it did over the same period last year.

POLAND'S EXTERNAL ACCOUNTS WITH WEST ($m)	1980 1st half	1980 2nd half	1981 1st half	1981 2nd half	1982 1st half
Balance of trade	−146	−645	−604	−147	+111
Current account	−1,022	−1,590	−941	−1,118	−609
Loans drawn from West	3,642	5,026	3,175	1,755	893
Reserves (end period)	na	318	na	206.7	208.3

In the first half of 1981, Poland had to pay cash for only 28 per cent of its total imports from the West, while in the same period of this year the figure rose to 61 per cent. This meant that cash outlays on imports actually rose to $1.37bn from $992m despite an overall decline in their volume.

"That situation entailed a bigger decrease in the volume of means earmarked for other purposes, among other things for debt service," the Ministry said.

During the first half, Poland paid interest on foreign loans to the tune of $896m, including $400m of interest held over from 1981. This took up 38 per cent of its export receipts compared with only 33 per cent in the first half of last year when interest payments totalled $987m and export receipts $2.99bn.

After meeting interest payments in the first half, the country was left with a deficit on its current account of $609m compared with $941m in the first half of last year and $1.2bn in the second half.

It also had to repay foreign loans amounting to $232m, including outstanding and rescheduled loans worth 94.

Against this, new loans drawn totalled $893m, whirh was only 28 per cent of the amount drawn in the first half of last year.

The hulk of the drawings was made up of outstanding grain credits granted to Poland last year by Canado and France, the Ministry said. Only $15m took the form of pure financial loans.

At the end of June, Poland's total outstanding debt to the West stood at $24.45bn, including $998m in short term loans. This was a drop of about $1bn since the start of the year which mainly reflected exchange rate movements as the dollar strengthened against leading continental currencies in which Poland has incurred substantial debts.

Poland's foreign exchange and gold reserves rose slightly to $208.4m in the first half from $206.7m at the end of 1981.

Turning to trade within Comecon, the Ministry said Poland's deficit on current account within the rouble area was equivalent to $448m during the first half, the same as in the first half of 1981.

The deficit was covered chiefly by technical rredits drawn in the International Bank for Economir Co-operation, the Ministry said.

Industrial production continues to decline

CHRISTOPHER BOBINSKI IN WARSAW

…H GOVERNMENT …es for the first eight months of the year show that industrial production is 6.2 per rent lower than in the same period last year.

Output in August showed a 1 per cent growth on August last year when production was very low and industry worked one day less than last month.

Mining industries such as coal and copper continue to increase their production faster than manufacturing Industry.

Government subsidies to industry in the first seven month were worth Zl 354.8bn (£2.38bn). The most heavily subsidised sectors were poultry, milk and meat, synthetic fibres, fertilisers and the coal industry.

Coal production is rising and by the end of August reached 126.6m tonnes for the year so far, a 17.5 per cent increase on the same period last year. Coalminers wages continue to outstrip those in other sectors and.

Productivity in industry grew per man by 3 per cent in August, the fourth rise in as many months, due partly to a 5 per cent drop in industrial employment.

Heavy price Increases last February mask the drastic drop in supplies of goods to the shops, while the value of goods aold to consumers in August, measured hy current prices, grew by 87 per cent rompared with August last year, sales in constant prices were down.

Poles hought 11 per cent less food thao they did in August last year and 28 per rent less consumer durables.

Actual incomes in the month were 71.6 per cent up, while spending rose by 75.7 per cent.

The Soviet Union continues to take the burden of Poland's East European deficit, while Poland runs a healthy surplus with its Comecon partners. The eight months deficit with Comecon as a whole was Zl 30.2bn (£202m); the deficit in trade with the Soviet Union reached Zl 43.3bn (£290m).

Leslie Colitt writes from Berlin: Mr Albin Siwak, a member of the Polish Communist Party politburo and a leading hardliner, bas held talks with the East German leadership on reviving unions.

The Polish Government has indicated that a new trade union law will be passed this autumn by Parliament. Officials point out, however, that any new unions will hear little resemblance to the suspended Solidarity union.

Portuguese shipyard aims to cut costs

By Diana Smith in Lisbon

LISNAVE, the 30 per cent state-owned ship repair yard that is Portugal's largest single foreign exchange earner, is embarking on a cost-cutting programme

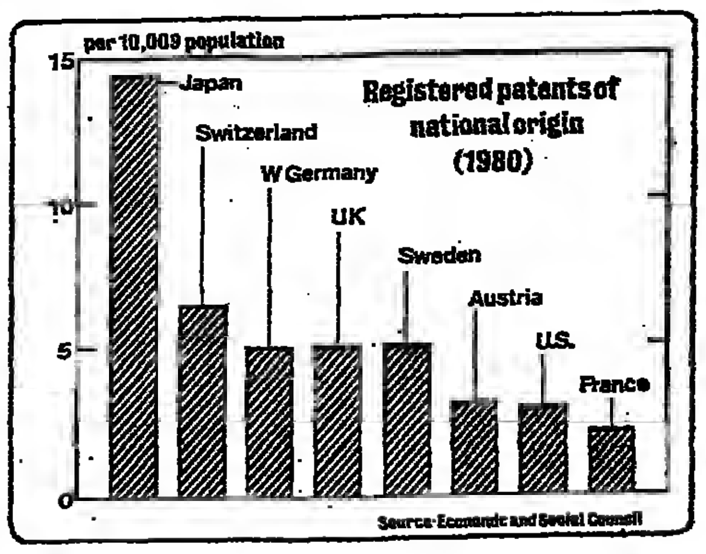
The yard needs 10 vessels under repair each month to break even, and will have an average of only four in coming weeks. Once, it repaired 20 per cent of the world's supertanker fleet, and was the ideal location for vessels working the Gulf-Northern Europe route. North Sea oil changed the picture.

The company is too hig for today's shrinking market. Some 2,000 of its 7,500 hine-collar workforce are withont work each day. Labour laws prevent temporary lay-offs, but a strictly enforced early retirement scheme has helped Lisnave hring its workforce down from 12,000 at the peak of the 1975 revolution, when Communist unions forced surplus labour on companies to produce the illusion of full employment.

Even so, Lisnave has a monthly wage and benefits hurden on Esc441m (£2.9m). Gross monthly sales are Esc600m (£4m) while total overheads are Esc1bn (£6m). The company owes the banks Esc10bn and has had great difficulty raising more operating credit, thanks to the Government's severe credit policies.

To make what savings it can, Lisnave is eliminating the night shift and halving the 4 pm to 1 am shift for which workers were paid substantial premiums. It is also halving Saturday shifts and compelling the 500 white-collar staff to work a full day for full pay.

Industry turns increasingly to foreign know-how



M Chevènement . . . off to the United States

France seeks to cultivate home-grown technology

BY DAVID MARSH IN PARIS

THE REAGAN administration's technology sanctions on French companies delivering equipment for the Soviet gas pipeline might look like a slap in the face for the Socialists in Paris.

M Jean-Pierre Chevènement, the Minister for Research and Industry, who starts a six-day visit to the U.S. today, may yet have the last laugh.

By underlining France's dependence on imported know-how and expertise, especially from the U.S., the Americans have given important indirect support to M Chevènement's crusade for home-grown technology to reduce reliance on foreign sources.

M Chevènement, aged 43—just two years older than Mr Tony Benn when he was made Minister of Technology in Britain's Lahour government in 1966—is the "wunderkind" of the Mitterrand administration. In the 2½ months since heing appointed head of the newly-merged and powerful Research and Industry Ministry, he has lost no time in putting his personal stamp on France's ambitious plans for technology-based economic growth.

Improve links

He is also pushing through a reform of France's main research agency, the Centre National de la Recherche Scientifique. He aims to relax the notorious rigidities which plague French science, and improve links with industry.

The minister is going to Washington, New York and Boston to listen and learn as well as talk. Differences over the pipeline are bound to come up in discussions in Washington. Steel will also be on the menu.

A trip to Silicon Valley in California had to be shelved for lack of time. But during visits to research establishments and high-technology companies in the Boston area, M Chevènement hopes to pick up ideas for use at home in what he has called the "new synergy" between French science and industry.

Certainly, some sort of boost is needed. French government officials say that industry has fallen into the complacent habit of adopting foreign technology for many products rather than developing its own. This has not only boosted payments for royalties but also reduced the amount French companies earn from transferring technology to other western countries.

Patents down

A recent report from the Economic and Social Council, a government - advisory body, underlined the problem.

Since the days when President de Gaulle was making his own efforts to assert the country's independence France's home-grown inventiveness has tailed off.

Patents registered hy Frenh residents dropped to about 11,000 a year in 1980 and 1981, from 17,000 annually in 1965-1968.

Foreigners, led by the U.S.—which accounts for about 25 per cent of all patents coming from overseas—now register three times as many patents as the French. The country's foreign trade halance in licences and royalties showed a deficit of FFr 2.6bn last year.

The dependence is particularly heavy in some important sectors such as the chemical and pharmaceutical industries, electronics and the information business.

The report makes the point that commercial and technological penetration go together.

Sectors of the French market where foreign importers have shares of more than 50 per cent—organic chemicals, machine tools, information equipment, radiology, measuring instruments—are precisely those where France's performance in patents is particularly weak.

France relies on U.S. equipment and know-how, particularly in electronics, even in some key "strategic" industries where it has striven to put self-help foremost, such as in the Airbus programme, satellite manufacturing and telephones.

The nuclear industry, too, imports American parts for power stations. Framatome, the country's N-plant manufacturer, is a subsidiary of Creusot-Loire, which is currently launching an appeal against U.S. sanctiona over the Soviet pipeline.

Companies auch as these might be forced by the sanctions—and hy fears that they could he used again in other cases—to develop their own technology or shop around more abroad. The Reagan sanctions could thus ultimately work against the Americans.

French Government offirials say that there will be no direct curbs on foreign technology. Efforts to end reliance on overseas patents, apart from being practically impossible, would be a "great regression," they say.

The Socialist government's answer bas been primarily to channel more funds into research, especially into fast-developing areas like electronics, new materials and bio-technology, where it feels France can quickly make up lost ground.

Money, however, is not the only answer. A frank appraisal of the Government's approach so far in electronics, is given by M Daniel Queyssac, the French chairman of the U.S. subsidiary of the Italian SGS-ATES semi-condurtor group.

Passing through Paris last week, M Queyssac gave an informed outsider's opinion of France's efforts in electronics. "You need money—but also people and the right kind of economic environment. In France many of those ingredients are missing. You don't grow just by making political decisions."

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UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1975=100); Engineering orders (1975=100); retail sales volume (1978=100); retail sales value (1978=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value*	Unemployed	Vacs.
1981							
2nd qtr.	100.0	89.4	90	104.7	134.5	2,482	89
3rd qtr.	100.8	90.1	103	105.3	139.1	2,641	96
4th qtr.	101.2	89.9	90	105.4	168.3	2,752	104
1982							
1st qtr.	100.7	89.2	98	106.6	141.3	2,817	112
2nd qtr.	100.9	88.9		106.1	145.4	2,878	107
January	100.3	88.3	83	107.0	143.9	2,812	112
February	100.8	89.6	99	106.1	137.6	2,818	117
March	101.0	89.6	93	106.6	142.3	2,822	111
April	101.1	88.9	94	105.9	146.1	2,850	110
May	101.6	89.6	93	105.8	145.4	2,872	107
June	100.1	88.1		106.6	144.8	2,911	105
July	101.2	89.0		107.6	152.2	2,926	111
August				108.0		2,987	113

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1975=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1981							
3rd qtr.	93.8	89.9	120.2	86.7	77.8	75.5	14.2
4th qtr.	93.4	89.9	123.1	86.2	82.3	75.4	11.6
1982							
1st qtr.	92.4	90.6	121.1	86.0	81.0	74.2	14.6
2nd qtr.	91.9	91.4	121.8	85.8	78.6	70.9	17.3
January	91.0	90.0	121.0	85.0	81.0	75.0	11.4
February	93.0	91.0	121.0	86.0	84.0	75.0	15.2
March	93.0	91.0	121.0	87.0	78.0	73.0	17.5
April	92.0	91.0	123.0	85.9	81.0	72.0	17.1
May	93.0	91.0	123.0	87.0	81.0	73.0	17.5
June	91.0	92.0	120.0	86.0	74.0	68.0	17.5
July	93.0	92.0	122.2	86.0	72.0	70.0	16.4

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance; current balance (£m); oil balance (£m); terms of trade (1975=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1981							
4th qtr.	132.0	125.7	+490	+1,365	+698	99.2	23.35
October	136.0	121.0	+402	+694	+ 74	97.9	23.32
November	130.1	135.5	−227	+ 65	+205	99.5	23.46
December	130.0	120.6	+315	+606	+419	100.1	23.35
1982							
1st qtr.	125.3	122.7	+356	+685	+707	101.4	18.97
2nd qtr.	131.5	130.6	+102	+552	+923	101.0	17.70
January	119.0	123.2	−103	+ 7	+187	101.6	23.23
February	124.3	120.2	+188	+298	+289	100.9	23.37
March	132.7	124.8	+271	+380	+231	101.6	18.97
April	134.6	129.4	+224	−374	+419	101.0	18.16
May	132.8	135.6	−115	+ 35	+327	100.7	17.82
June	127.1	126.1	− 7	+143	+177	101.3	17.70
July	125.7	124.0	+166	+316	+401	100.5	17.94
August							18.11

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to tha private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies' net inflow; HP, new credit; all seasonally adjusted. Minimum lending rate (end period).

	M1 %	M3 %	Bank advances %	DCE £m	BS inflow	HP lending	MLR %
1981							
2nd qtr.	23.1	17.3	6.5	+4,036	1,103	1,984	12
3rd qtr.	8.1	18.1	29.7	+6,031	896	2,057	—
4th qtr.				+2,365	451	2,081	—
November	7.6	17.3	20.4	+ 460	75	684	—
December				+ 480	213	707	—
1982							
1st qtr.				+3,194	967	2,157	
2nd qtr.	2.1	8.2	26.2	+4,586	1,344	2,187	
January				+ 857	356	663	
February	8.0	6.9	17.1	+1,131	347	698	
March	3.7	7.2	24.5	+1,206	264	794	
April	− 3.3	4.8	26.1	+1,648	437	728	
May	− 0.5	9.5	26.8	+1,685	478	710	
June	10.7	10.3	25.8	+1,253	439	749	
July	14.2	11.2	29.7	+1,357	691	698	
August					437		

INFLATION—Indices of earnings (Jan 1975=100)— basic materials and fuels, wholesale prices of manufactured products (1975=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (1975=100).

	Earnings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1981							
2nd qtr.	202.2	225.8	219.4	294.0	277.0	245.07	97.8
3rd qtr.	209.9	233.8	224.1	299.1	278.8	260.83	90.6
4th qtr.	214.6	237.3	229.2	306.5	285.6	248.97	89.7
December	217.1	236.8	230.4	308.8	288.5	248.97	90.8
1982							
1st qtr.	216.9	238.2	234.3	311.6	297.7	242.40	91.1
2nd qtr.		240.0	238.2	321.5	304.1	233.46	90.5
January	214.1	238.9	232.9	310.6	296.1	252.93	91.1
February	217.0	240.1	234.4	310.7	297.2	241.77	91.5
March	219.7	235.7	235.5	313.4	299.8	242.40	90.8
April	219.6	239.9	237.0	319.7	302.6	246.84	90.0
May	222.5	237.7	238.3	322.0	305.6	237.39	89.9
June	226.0	243.2	239.2	322.9	304.1	233.46	91.1
July	230.2	245.0	241.0	323.0	299.5	229.51	91.2
August		244.0	241.7			229.60	91.4

* Not seasonally adjusted.

Commission sees signs of recovery in Belgium

BY LARRY KLINGER IN BRUSSELS

THE BELGIAN Government's export-orientated recovery programme has achieved "marked improvements" in increasing industry's competitiveness and there are signs that the balance of payments may improve this year and next.

These are the main findings of a confidential European Commission report which adds a warning that the Government's stern control of the economy may have to be prolonged indefinitely.

Details were revealed as the Belgian Government today resumes its efforts to win a "social consensus" with leaders of industry and the unions in support of its austere economic recovery programme.

Armed with the report from the European Commission, ministers are hoping to persuade their "social partners" to come out in open support of government policy.

In a confidential report to the EEC's Monetary Committee, the Commission's directorate for economic and financial affairs says that the Government's efforts must be continued over "the next few years" in order to achieve a satisfactory payments balance and restore investment to satisfactory levels to achieve improved economic growth and employment levels.

The talks which begin today are expected to be tough and protracted, with the unions demanding a firm demonstration that government policy is not being used primarily to boost company profits at the expense of lower paid and former job losses.

At issue are where the Government's proposed cuts in social security spending will fall, what measures can be taken by industry to create employment, and the level of wage rises over the coming year. The Government insists *that pay awards must be limited* to a maximum of 7 per cent.

The Commission's report, while echoing the qualified approval of the Belgian programme contained in earlier reports by the OECD and the IMF, nevertheless paints a picture of continued uphill struggle.

It says that policies must continue to be applied that would inevitably restrict both public and private consumption. Exports appeared to be reviving, but not investment.

Increased company profitability had to come rapidly. This was why complete wage indexation could not be restored *immediately.* Pay awards, at least during 1983, had to remain below the growth in inflation, which should decrease.

The report acknowledged the Government's difficulty in trying immediately to achieve *further* cuts beyond those already envisaged for next year but says current measures are insufficient to restore full health to public finance.

Even if the Government were to achieve its longer-term objective of reducing the deficit to an *8 per cent level by 1985,* the report says, this would only be sufficient to halt the upward spiral in debt servicing. Total debt would remain at around 100 per cent of GDP, with interest charges, depending on rates at the time, still accounting for around 10 per cent.

In such conditions, the report says, public finances could not be counted on to be in a position to contribute significantly to economic recovery.

Haughey tries to defuse pay clash

By Brendan Keenan in Dublin

MR CHARLES HAUGHEY, the Irish Prime Minister, has tried to defuse the clash between his government and the public sector unions over pay.

In a letter yesterday to the Irish Congress of Trade Unions, he offered concession which will be seen by the opposition as a substantial climbdown.

The government has not shifted its position on pay claims, but says there is scope for negotiation with the unions in the Civil Service and the nationalised industries, provided account is taken of the state of Exchequer finances.

This may well be enough to head off the threats of industrial action from the unions and the danger of a government defeat when Parliament resumes at the end of next month.

Mr Haughey . . . offor of concessions

EUROPE REFUSES TO PROPOSE ALTERNATIVE SANCTIONS

U.S. told it must resolve pipeline row

BY DAVID TONGE, DIPLOMATIC CORRESPONDENT

WEST EUROPEAN countries involved in the bitter dispute over the Soviet gas pipeline have rejected U.S. suggestions that they make alternative proposals on how to bring pressure on the Soviet Union, officials said in London yesterday.

Instead, they are insisting that Washington must resolve the dispute over the sanctions which the U.S. has imposed on its allies. British, French and Italian companies have already been penalised for shipping material for the 3,500-mile pipeline and a West German concern is threatened.

Various U.S. spokesmen, such as Mr William Brock, President Ronald Reagan's trade representative, have suggested that the U.S. might ease the sanctions if the West European countries involved could come up with alternative proposals for bringing pressure on the Soviet Union over Poland.

However, the four European countries have rejected this approach after intensive consultations. Indeed, French officials have said that they would only wish to join in a proposed meeting of the foreign ministers involved with Mr George Shultz, the U.S. Secretary of State, later this month if the U.S. has put its own proposals on the table. The French Foreign Ministry has been arguing that there is no urgency and that time is on the European's side.

The Foreign Office in London was waiting last night for a formal message from the French over whether they would favour British proposals for meeting Mr Shultz at the opening of the United Nations General Assembly in the week beginning September 27.

Mr Francis Pym, the British Foreign Secretary, is expected to raise this issue when he visits Paris next week after a meeting of EEC foreign ministers in Brussels.

West Germany and Italy reportedly favour this idea, but it remains to be seen whether President Francois Mitterrand agrees that anxiety over the state of Nato should override anger about U.S. moves.

The British view is that there is an urgent need for an early meeting to discuss how trade with Warsaw Pact countries should be handled—the strategic issue raised by the pipeline debate.

Peter Riddell, Political Editor, adds: The British Government set out last night to defuse public concern about U.S. sanctions against British companies supplying the Soviet gas pipeline.

In a speech in London yesterday to the American Chamber of Commerce, Mr Cecil Parkinson, the chairman of the Conservative Party, said: "The pipeline dispute is a serious disagreement between us about method and degree, about tactics, but not a fundamental disagreement about strategy or about our understanding of the world scene."

He argued that the two countries' attitudes to the Soviet Union are "still very much in basic agreement."

Mr Parkinson added that the only way in which the U.S. could lead the West was by winning the approval and respect of its allies—an effort requiring tremendous tact and wisdom.

Genscher appeals for detente to continue

BY JONATHAN CARR IN BONN

A STRONG plea for continued detente with the Communist East and a sharp criticism of U.S. policy—past and present—has been issued by Herr Hans Dietrich Genscher, the West German Foreign Minister.

In a striking article in the U.S. journal Foreign Affairs, released today, Herr Genscher seeks to turn the table on U.S. claims that detente lulled Europeans into a false sense of security.

He claims that it was the U.S. which initially harboured illusions about detente—then overreacted when these illusions were not fulfilled.

Without specifically referring to the present U.S. Administration of President Ronald Reagan, Herr Genscher also makes a point-by-point rebuttal of the thesis that trade sanctions can influence Soviet behaviour in a way the West desires.

Ironically, parts of the article leaked over the last few weeks, and appearing in some publications out of context, gave the impression that Herr Genscher was simply offering fulsome praise of the U.S.

This, in turn, led to speculation that Herr Genscher was trying to use this foreign policy issue to come closer to the opposition Christian Democrats (CDU), who constantly claim Chancellor Helmut Schmidt's Government is responsible for strained relations with Washington.

However, the 66-page article is remarkable above all because Herr Genscher is explicit in his criticism of the U.S. in a way he has rarely—if ever—been in public before.

He emphasises his desire that the Western Alliance be strengthened — but he also makes clear his belief that the time has come for plain speaking.

Herr Genscher emphasises that when the Europeans spoke about detente they referred—in contrast to the U.S.—to a dual strategy of military preparedness on the one hand and readiness for dialogue with the East on the other.

The Minister said the latter part, the dialogue, had been "oversold" in the U.S. in the 1970s. U.S. defence spending had fallen in real terms while that of the Europeans—and the Soviet Union—had increased.

However, the U.S. did not offer Moscow broad-based economic co-operation either. "The question thus remains unanswered of how Soviet policy would have developed if the U.S., suffering from the double trauma of Vietnam and Watergate, had not itself seriously weakened its capacity both for putting up resistance and offering incentives," Herr Genscher wrote.

On trade with the Soviet Union, Herr Genscher agreed that a big cut in imports from the West would make Moscow's problems worse — although "only a disruption of grain supplies (a reference to the U.S. in particular) would have immediate, widely felt effects."

But he added the Soviet economy was made up of two parts —military and civilian. The military was given absolute priority and the Soviet leadership would always give it the resources it felt were necessary.

Further, Western sanctions would give Moscow the pretext for ascribing all domestic difficulties to the "trade war waged by the West against the Soviet fatherland."

N-stations show up well in power survey

BY DAVID FISHLOCK IN VIENNA

FOSSIL-FUEL and nuclear electricity plants perform equally well, an international nuclear conference in Vienna was told yesterday.

Allegations that nuclear power stations perform less well than coal or oil fired plant are not supported by international statistics covering some 80 per cent of the world's power plants.

The main omissions are the power plants of the Soviet Union and East Germany, where bureaucratic delays are believed to be responsible for data not being available.

The comparison of power plant performance is being made by the World Energy Conference and the main electricity producing countries, using nuclear performance statistics gathered by the International Atomic Energy Agency in Vienna.

The IAEA's power reactor information system is a computer file covering 277 operating power units and another 233 units under construction. It contains details of about 9,000 periods since 1971 in which the reactors have been shut down, either because of breakdown or for planned spells of maintenance. This is information of the greatest interest to reactor designers and operators.

It is beginning to reveal the main trends and problem areas for nuclear power programme planning.

Data available up to the end of 1980 suggests that the smaller nuclear reactors, of up to 600 MW output, have performed a little better than fossil-fuel units of the same size. But big nuclear units, of 900 MW and above, have performed slightly less well than the bigger fossil-fuel units of the same size. But big nuclear units, of 900 MW and above, have performed slightly less well than the bigger fossil-fuelled units of 600-750 MW.

About a third of the breakdowns (34 per cent) in nuclear plant are specifically related to the nuclear steam supply system itself, with the balance of breakdowns in conventional parts of the plant such as the turbo-generators.

More funds urged for energy conservation

By Ray Dafter, Energy Editor

ENERGY specialists in the European Commission are stepping up pressure on Euro-MPs and Ministers for a boost in funds for conservation and renewable energy projects.

The Commission has produced a report recommending a continuation of an EEC funding programme aimed at backing the demonstration of new projects which can reduce overall demand in energy, reduce the need for hydro-carbons—such as oil, gas and coal—or increase the exploitation of renewable energy sources.

Some specialists in the Commission feel that there should be a doubling of the Community budget for demonstration projects. This would mean that, over the next four or five years, the EEC would contribute more than 400m European Currency Units (some £220m). The budget for the 1978-82 period (increased earlier this year) was 205m ECUs (£112.4m).

Under the present system the EEC provides up to 40 per cent of the cost of a project. But *half* of the grant must be returned by the project sponsors if the venture becomes a commercial success.

Officials argue that such projects help reduce the EEC's dependence on imported energy and provide employment opportunities in the energy equipment supply industry.

But they know their proposals could be challenged by member countries and Euro-MPs who are already questioning whether such large-scale funding is warranted at a time of plentiful energy supplies and strict budget controls.

In the UK, for instance, Government funding of research and development into alternative energies and conservation has been cut, from £13.6m in 1981-1982 to less than £12m in the current financial year.

The report into the Community demonstration programme claims that by 1990 energy savings in the 10 member countries could rise to the equivalent of 130m-150m tonnes of oil annually—about 12 to 14 per cent of gross energy consumption at that time.

Demonstration projects approved so far are expected to yield savings of about 700,000 tonnes of oil equivalent a year although the report adds, such cuts should lead to greater associated savings.

The Community demonstration programme report sets out priorities for any future assisted projects. It recommends that these should include energy saving schemes, in particular conservation in industry, in public, administrative and commercial buildings, and in waste materials.

The Commission says that the energy saving potential in the transport sector is also very high although, so far, few project proposals had been submitted. While supporting continued work in the alternative energy sector, including geothermal power and solar energy, the Commission says it attaches special importance to projects for the liquefaction and gasification of coal.

The report emphasises that a Community demonstration programme should work alongside similar schemes operated by member countries. It is estimated that in the past five years national demonstration programmes have involved state aid totalling £447m (815m ECUs), almost four times the Community budget.

Canada disarms foreign investment critics

BY NICHOLAS HIRST IN TORONTO

FACED WITH continuous international criticism of its strict controls on foreign investments, Canada has gone out on the attack. A 71-page report prepared by the Foreign Invesment Review Agency's research arm turns the table on Canada's chief critic, the United States.

The activities of FIRA have been a severe irritant in the deteriorating relations with the U.S. over Canada's nationalistic economic policies. But in its report, FIRA attempts to show that far from the U.S. being, as it claims, the most open country to foreign investments in the world, it has, in fact, erected inumerable obstacles to overseas companies buying into American business.

Only some 2 per cent of U.S. business is foreign controlled, whereas in Canada this figure is 29 per cent and about 80 per cent of foreign ownership of Canadian business is American

The research report, which details direct and indirect controls on foreign investment in the U.S., is to be used by Canadian officials to try and head off any attempt by the U.S. Congress to increase regulations in retaliation for FIRA's activities.

The latest controversy follows a request by Mr Francis Fox, Canada's Communications Minister, for FIRA to require Coca Cola to divest itself of Columbia Pictures subsidiaries in Canada.

Coca Cola acquired Columbia Pictures in May, but the transfer of its Canadian assets cinema and television distribution compaoies must be approved by FIRA.

Mr Fox's intention is to gain 51 per cent Canadian ownership of the distribution chain, and therefore give Canadian filmmakers a better chance of getting a wider showing of their work.

But to the U.S., the move is another example of what it sees as an unwarranted interference in the merger activities of its own corporation.

In its introduction, the report says the foreign investor in the U.S. faces a "plethora of laws, regulations, agencies, hearings programmes and ordnances at both state and federal levels."

Rules are ambiguous and there can be unexpected delays in completing procedures. Regulatory agencies, such as the Interstate Commerce Commission, the National Aeronantics Board or the Securities Exchange Commission, may go beyond their original mandate and in fact examine and bar investment "precisely because it is not U.S. controlled."

LALONDE: Scope for improvement

Stepa have been taken to prohibit or restrict foreign investment in many areas including shipping aviation, aeronautics, communications, nuclear and hydro-electric power, banking, insurance, real estate, mining, maritime activities and defence, which itself covers many more industries.

The report has not officially been made public. Some of its criticisms have been appearing in dribs and drabs in the Canadian press and in turn, have provoked a response from the Americans.

In a letter to the Toronto Globe and Mail, Mr Richard Smith, Minister of the U.S. embassy in Ottawa, pointed out that nearly all developed countries operated some control of foreign investment in some industries. "The FIRA variety of generalised screening of all foreign investment is investment restriction of quite another order of magnitude," he said.

The Canadians, however, maintain that this generalised screening is far superior to the piecemeal approach adopted by other countries, and is ideally suited to a conntry which has more foreign ownership of its industry than any other in the Western world.

Mr Marc Lalonde, Canada's Finance Minister, said: "While there is still scope for improvement in the administration of FIRA, the only significant drawbacks we have found to our approach is that it makes the review process more visible and thus provides an easier target for disgruntled investors and ideological opponents of any form of foreign investmeot screening."

The question is, with the aoger that has been built up against FIRA worldwide, is it worth having? Since 1975, when it came into operation, 90 per cent of applications have been approved. The perceptioo that Canada no longer provides a good climate for foreign investment seems to many, including some Canadian provincial premiers, a high price to pay to keep out the other 10 per cent.

The Canadian Government's answer is that it is worth it. Studies over the years have shown that foreign controlled companies in Canada tend to import more and export less than their Canadian counterparts.

When vetting applications, FIRA attemots to ensure the same "full and fair opportunity" for Canadian suppliers as is demanded in Britain for foreign North Sea operators by the Offshore Supplies Office. It also pushes for increased research and development in Canada.

Ecuador government divided over IMF credit move

BY SARITA KENDALL IN QUITO

OPINION in Ecuador is divided as to whether the country would be able to stomach conditions imposed by the IMF for a standby credit.

Ecuador's public debt stands at about $4.7bn (£2.7bn), much of it in short-term loans. There is also a registered private foreign debt of over $1.2bn.

The Government, according to Sr Vladimiro Alvarez, acting finance minister, is giving top priority to refinancing the debt.

Some Government officials however, believe the country still has enough negotiating power to try the international commercial banks, others think this unrealistically optimistic.

International reserves have fallen to the equivalent of just two months imports, while exports—particularly crude oil—are running lower than last year.

For some months experts had been warning that it was essential to look for refinancing, and the task will now be much more difficult. To add to the government's problems, the post of Finance Minister is still empty after Sr Jaime Morillo's resignation a week ago. There is talk of forming a special commission to back the new minister, especially on debt issues.

Though the parallel with Mexico can be exaggerated, Ecuador also overspent its oil income after exports began in 1972 and this year's production and price cuts have come at the worst possible time.

The sucre was devalued from 25 to 33 to the dollar earlier this year, and the free market rate is moving erratically around the 60 sucre mark, partly because businessmen have been chasing dollars to repay foreign loans and partly because political and economic problems have affected confidence.

If the Government had to devalue again and cut subsidies on petrol, wheat and other foodstuffs in exchange for IMF support, many politicians believe the price could be very high.

President Osvaldo Hurtado no longer has a majority in Congress, and a two-day general strike has been called for next week. Although inflation is still running at under 20 per cent, the trade unions are demanding a 75 per cent wage increase.

Industrial output in U.S. falls 0.5%

By Anatole Kaletsky in Washington

HOPES OF an early recovery for the U.S. economy received a serious setback yesterday as the Federal Reserve Board announced a drop of 0.5 per cent in its index of industrial production for August.

This fall comes on top of the 0.9 per cent drop in August retail sales announced earlier this week. The Industrial production figures appear to confirm mounting fears among many economists that the better economic indicators published during July and June may have been signalling nothing more than a "false dawn."

August's fall in industrial production followed a revised 0.1 per cent increase in July and was the 11th monthly decline in 13 months.

Like the retail sales figure on Monday, the decline was due mainly to a renewed downturn in the motor industry. The motor industry reduced its output by more than 16 per cent during the month, to an annual rate of 5.5m units from a rate of 6.6m

The Fed said this was due to several months in which car production had exceeded sales. The August retail sales figures also underlined this trend, showing a 5.6 per cent drop on new car sales.

August's decline in output extended well beyond the car industry, to all major sectors of industrial output except defence and space equipment and construction supplies.

Output of business equipment fell by 1.4 per cent and has now declined by 18 per cent since the beginning of the current recession

Brazil tightens bank controls in austerity drive

AN ANDREW WHITLEY, IN RIO DE JANEIRO

BRAZIL has decided to raise the commercial banks' compulsory reserve requirement with the Central Bank to record levels. The surprise move forms the centrepiece of a new austerity drive designed to restore the flagging credibility of the Government's economic programme.

Other measures agreed upon by the National Monetary Council include further limitations on the sale of foreign currency to private individuals and limitations on the state sector spending—regarded as a major contributor to inflation, currently running at just under 100 per cent a year.

The banks' reserve requirement is to be raised above its present level of 40 per cent of sight deposits (which can be withdrawn on demand) to a possible maximum of 60 per cent of all deposits. The exact figure will be worked out later this week, but bankers expect it will initially settle at abont 45 per cent.

Investment banks are inclnded in the new controls but finance honses, lending primarily for private housing, will be excluded—a political move just weeks before important national elections.

Final details of the new regulations are still heing worked out, but at was apparent yesterday they would have a considerable impact on domestic industry, already struggling with low demand and heavy financial costs.

Indnstry reacted critically yesterday to the Government's decision. According to Sr Antonio Rocha Diniz, the vice-president of the Brazilian Federation of Bank Associations, the measures amounted to the virtual nationalisation of the private financial system, already one of the most regulated in the world.

This latest squeeze on domestic credit is designed to keep the growth of money supply down to 75 per cent this year. Latest figures from the central hank show that the target was heing exceeded before the forthcoming crop-financing season when the national money supply always makes a big jump.

Foreign bankers lending to Brazil to finance its large current account deficit yesterday welcomed the austerity package as a signal that the Figueiredo Government was prepared to take tough decisions in its efforts to restore the economy.

It is estimated that Brazil needs to borrow another $4bn abroad, in the next three months, to close its external finance gap. But in recent weeks new lending to Brazil by Western banks preoccupied with the Mexican and Argentine crises as well as corporate failures has virtually dried np.

The curb on the sale of foreign currency limits to $1,000 the amount hanks can sell at the official exchange rate to Brazilians aged under 18 travelling abroad. Parents can no longer claim their normal foreign exchange allowance of $2,000 for children aged under two.

British-Argentine relations still soured by conflict

BY JIMMY BURNS IN BUENOS AIRES

BRITAIN'S AND Argentina's agreement to lift the financial sanctions imposed after the outbreak of the Falklands conflict is unlikely to lead to an early normalisation of trade and diplomatic relations between the two countries.

Yesterday diplomats and businessmen in Argentina were hoping the unfreezing of blocked accounts in London and Buenos Aires would pave the way for progress on a restructuring of Argentina's $36.6bn foreign debt.

But they stressed the deep suspicion, if not outright hostility, that still underlines many Argentinian attitudes towards Britain.

Sectors of the armed forces seemed to have reluctantly accepted that the lifting of the financial sanctions was fundamentally an interbank affair and would not affect Argentina's "national honour," and its claims to the Falklands.

President Reynaldo Bignone is understood to be aware that hard-line nationalist officers will remain strongly opposed to any further reconciliation with London unless this is tied to British concessions on the future of the islands.

The operations of British banks and companies in Argentina yesterday remained complicated by the decision of the local authorities to maintain the overseers nominated in June to control the operations of British companies.

The lifting of financial sanctions has also not yet been extended to the ban on remittances of profits abroad for the sale of physical assets by British firms.

The ban is part of a law introduced by presidential decree in June and therefore falls outside the agreement on the unblocking of funds reached by the Argentine central bank and the Bank of England.

The British Chamber of Commerce yesterday said some British companies bad operated with difficulty in recent weeks because of the presence of government overseers.

While the chamber mentioned no names it is understood that Duterial, the local subsidiary of ICI, had to provide financial information to overseers sent from one of the company's market rivals, the military-controlled Fabricaciones Militares.

Chrysler deadline extended

MICHIGAN — Negotiators for Chrysler and the United Auto Workers returned to the bargaining table yesterday after extending the current contract and pushing back a strike deadline until midnight last night.

"We're not very, very close, but we think there is sufficient reason to try for 24 more hours. It's not as close as I would like to be," Mr Douglas A. Fraser, UAW president, said just 20 minutes before the current contract was set to expire at midnight on Tuesday.

However, he added, "there would not be any more extensions for the current pact, which covers 43,200 members still working and another 40,000 on indefinite layoff.

"There were a variety of problems, both economic and non-economic," Mr Fraser said. "We just wanted to give ourselves more time to exhaust every single possibility."

Chrysler car workers had voted overwhelmingly to strike if no agreement was reached and no extension was granted.

The negotiating teams have been at the bargaining table for 14 straight days in the effort to agree on a new contract.

Mr Fraser said Chrysler had proposed to the union terms calling for general wage increases tied to future company profitability.

The company also called for workers' contributions to health care costs and some restoration in cost of living adjustment clauses, also tied to Chrysler profitability.

Mr Fraser said be thought the union could get a settlement before the midnight last night deadline on a one-year contract covering economic items and a two-year pact for non-economic items.

Agencies

Hopes rise for Salvador peace talks

By Hugh O'Shaughnessy

HOPES ARE rising that peace talks will start before long between the Salvadorean Government of President Alvaro Magaña and the left-wing guerrillas despite continuing violence.

Half the country was without electricity on Tuesday, El Salvador's independence day, after guerrillas sabotaged power lines in San Salvador and the departments of La Libertad, Cuscatlán and Chalatenango.

Mgr Arturo Rivera y Damas, acting archbishop of San Salvader, has again criticised government forces for the brutality of the anti-guerrilla operations. Casualties in the three-year civil war between government and guerrillas total nearly 40,000.

U.S. officials indicate that Washington would welcome some new initiative to bring a truce between the two sides and that the Reagan Government is worried by the continuing bad image of the Magaña Government.

Reports from Havana and Managua say that both the Cuban and Nicaraguan Governments are encouraging the Salvadorean insurgents to seek political talks with the authorities in San Salvader.

After cancelling a meeting with Mr Francis Pym, the British Foreign Secretary, Dr Fidel Chávez Mena Foreign Affairs Minister, has continued with a tour of Western Europe which has included a call on the Pope at Castel Gandolfo.

Dr Chávez said that he had found increasing understanding of his Government's policies in Western Europe.

هكذا امنت بالاصل

Arafat presents new PLO strategy

By James Buxton in Rome

MR YASSIR ARAFAT, the chairman of the Palestine Liberation Organisation, yesterday seized the opportunity of his first visit to a major EEC country to preseot in fairly moderate terms the PLO's new strategy for a diplomatic route to Middle East peace.

In his speech to the annual conference of the interparliamentary union, which is being held here, Mr Arafat did not abandon the long-term goal of a single democratic state of Palestine in which Jaws and Arabs would live together.

But he made clear that his Immediate aim was to obtain Israeli recognition of the Palestinians' right to a homeland in the West Bank and Gaza Strip, in return for Palestinian recognition of Israel's right to exist.

He said that the first step, following the moderate position which the Arab states agreed at last week's summit in Fez, was an approach to the members of the UN Security Council to persuade them to basten the peace process.

Though bitterly critical of Israel over the war in Lebanon and yesterday's return of its troops to west Beirut, Mr Arafat did not talk in terms of armed struggle by the Palestinians.

The familiar stubble-bearded figure, wearing his chequered Kaffiya headdress, looked cheerful desplte his recent evacuation fro Beirut.

Sig Giovanni Spadolini, the Prime Minister, will not be receiving him, lest this be seen as a sign of Italian Governmeot recognition of the PLO. Bnt as well as seeing Sig Emilio Colombo, the Foreign Minister, Mr Arafat yesterday had a private meeting and lunch with President Sandro Pertini.

The 85-year-old bead of state strongly expressed his solidarity with the Palestinians on Tuesday when opening the conference.

Later yesterday Mr Arafat had the audience with Pope John Paul.

Arafat . . . looking cheerful

Many more may be killed before the voices of moderation and compromise are heard, **Roger Matthews** writes

Gemayel's death will pull Israel deeper into Lebanon quagmire

THE ASSASSINATION of Bachir Gemayel is yet another ugly twist in the despairing modern history of Lebanon and the Lebanese people are as likely to be as divided over his death as they were over bis election to the Presidency last month.

The list of those who might bave ordered and organised the bomb attack which wrecked the building where Mr Gemayel was chairing a political meeting on Monday afternoon is impressively long.

His climb to power in Lebanon, founded on the Phalangist Party established in the 1930s hy bis father Pierre, left in its wake embittered opponents across a broad political spectrum.

Mr Gemayel's rivals within the Maronite Christian community were ruthlessly dealt with during the late 1970s.

First, the son of former President Suleiman Franjieh, his wife, baby daughter and 30 bodyguards were killed by Phalangist gunmen. Then the other competing militia of another former President, Camille Chamoun, was bloodily brought to heel.

Mr Franjieb swore revenge for the death of his son and is credited with at least one previous attempt to assassinate Mr Gemayel. There may also be elements from Mr Chamoun's militia who never forgave the Phalangist leader.

To those threats from within the Christian community has to be added the far larger grouping which includes the leftist Moslem militias and Palestinians which Mr Gemayel fought during the 1975-76 civil war, the Syrians and those armed factions financed and hupplied by radical Arah states.

Those who were sceptical of Mr Gemayel's ability to use the Presidency as a force for national reconciliation argued that his violent history would prove an impossible handicap.

This legacy was further exacerbated by his close association with Israel, which helped finance and arm the Phalangist militia, and the additional demands being made of him by Mr Menahem Begin, Israel's Prime Minister.

After his election to the Presidency by the Lebanese Parliament last month, Mr Gemayel said he wanted to draw the curtains over Lebanon's bitter past and become the leader of all the people.

Mr Gemayel attempted publicly at least to put some distance between himself and Israel. He appeared to be resisting demands from Mr Begin that, after assuming the Presidency on September 23, he should begin talks on signing a peace treaty with the Jewish state.

Snch a move, so soon after Israel's destructive invasion and while its troops remained oo Lehanese soil, would bave noquestionably proved another major obstacle to any reconciliation between the Moslem and Christian communities.

Mr Gemayel's death, however, only serves to draw Israel yet deeper into the Lebanese poli-

Gemayel . . . loog list of suspects

tical quagmire. Physically, Israeli troops have begun to penetrate deeper into the Moslem western half of Beirut, while politically Mr Begin, as the self-appointed arbiter of Lebanon, has now to find himself a new candidate for the Presidency.

There is no one obvious person waiting to inherit Mr Gemayel's mantle and, as by Lebanese constitutional practice the President must be a Maronite, Israel may also have to face a struggle for power within the Christian community.

Should Parliament fail to chose a successor to Mr Gemayel before President Elias Sarkis steps down on September 23, there is provision for interim Cabioet government.

The Cabinet at least has the merit of containing representatives from differing religious grouping and might temporarily force a degree of interdenominational co-operation which is what Lebanon so desperately needs.

However, while foreign forces remain in Lebanon there is little chance that the Lebanese can free themselves from lotolerable external pressures aimed at imposing a political solution.

Israel's frustration at having lost Mr Gemayel must increase the possibility that it will now seek to drive the Syrian Army and remainiog Palestinian fighters out of eastern Lebanon.

It will probably be argued, particularly by Gen Ariel Sharon, Israel's Defence Minister, that the prospects of a stable Lebanon willing to co-operate fully with its southern neighbour are remote while the Syrians are allowed to keep 20,000 or more troops in the country.

A military initiative might also serve to deflect attentioo from President Reagan's unwelcome peace plan for the region, aod would put fresh strains on the fragile Arab consensus that emerged during the recent summit meeting io Morocco.

That same meeting discussed the Lebanese request for Syrian troops to be pulled out, but failed to reach agreement because of fears that there would not be a parallel Israeli withdrawal.

The death of Mr Gemayel will undoubtedly ease Arab pressure on Syria to withdraw, a development assuredly noted by the Israeli Cabinet.

It has long been argued, especially by men such as Mr Fouad Boutros, Lebanon's sharply intelligent Foreign Minister, that his country's problems may be eased but can never be solved outside the context of a wider Middle East settlement.

The departure of the Palestine Liberation Organisation from Beirut last month was thought to be part of that easing process.

However, as Mr Reagan's peace plan emphasised, that alone did not solve the Palestinian probleoi which continues to fester on the occupied West Bank and Gaza, and pollutes all relationships between states in the region.

Lebanon has for the past decade provided the territory over which those ugly battles have been fought. Mr Gemayel's death is further tragic evidence that many more people may have to die before the voices of moderation and compromise are heard.

Jerusalem's hopes suffer severe setback

BY DAVID LENNON IN TEL AVIV

JERUSALEM'S HOPES for creating a strong pro-Israeli central government in Lebanon have suffered a severe setback with the assassination of Mr Bashir Gemayel, the Lebanese President-elect, who was dua to take up office next week.

Even before launching its invasion of Lebanon in June, Israel had hoped that the leader of the Phalangist forces would one day emerge as Lebanon's leader and repay the years of Israeli military assistance by making peace with Jerusalem.

From the outset of the war, it was clear that Israel's aims were not only to destroy the Palestine Liberation Organisation in Lebanoo, but also to help reuoite the country under a strong leader. Mr Gemayel was the cboice of the Begin Government for this role.

Despite considerable disappointment over the way which Mr Gemayel appeared to be trying publicly to distance bimself from Israel after his election last month, be was still regarded by Israel as the most satisfactory choice of leader.

His removal from the scene bas left Jerusalem with a major problem. Political gains which it hoped to achieve from the war are endangered, and yesterday the Government was anxiously assessing the likely course of developments in Lehanon in the wake of Mr Gemayel's assassination.

Mr Gemayel was a key figure in the Israeli grand strategy for Lebanon and his removal threatens to make that plan unworkable.

The hope that by driving out the PLO Lebanese unity could be restored, has been hadly shaken, and Jerusalem will have to engage in some serious reassessment of its basic approach to the problem of its northern neighbour.

Mr Shimon Peres, leader of the Israeli opposition Labour Party, said yesterday that the Government had made a serious mistake by relying on one man to implement its Lebanese policy. In his view, the assassination was a result of the chaos which is rife in Lebanon, and can only intensify the problems of that country.

Viewing with evident alarm the rapid movement of Israeli troops further into West Beirut, ostensibly to help maintain order, Mr Peres called for a multinational force to be brought into the Lebanese capital, to save Israel from getting more deeply embroiled in the sickbed of Lebanese domestic affairs.

The disappearance of Mr Gemayel from the scene is likely to delay further the prospects of an early withdrawal of Israeli forces from Lebanon.

Even though Mr Menahem Begin, Israel's Prime Minister, said yesterday that the mutual withdrawal of foreign forces from Lebanon could be completed in a matter of weeks, this prospect must now appear more remote.

The way in which Israeli troops moved yesterday to tighten control over West Beirut and the sealing-off of the city, are clear indications that Israel is far from ready to relinquish the power to dictate events in Lebanon which it attained through its invasion.

Mr Ariel Sharon, Israel's Defence Mioister, has repeatedly said that the Israeli troops will be withdrawn only after a government is installed in Beirut which is capable of controlling the country. He also wanted that government to establish peaceful relations with Israel.

Recently, Mr Sharon warned that if Lebanon would not sign a peace treaty with Israel, then Israel would establish what be called a "special status" security zona in southern Lebanon.

Yesterday, the Defence Minister said Mr Gemayel had paid with his life for his desire to see peace in tbe region. Other Israeli officials said they feared the assassination would dissuade any other Lebanese leader from having close ties with Israel.

Taken together, these attitudes must add up to Mr Begin's army haviog to prolong its stay in Lebanon. Some wonld suspect that Israel may find itself bogged down in Lebanon in the same way as did Syria after its troops were sent to the country in the mid-1970s to try to end the civil war.

Tbe bomb which destroyed Israel's great Lebanese hope may well serve to prove that while getting loto Lebanon was a relatively simple military matter, getting out may prove to be an almost impossible political task.

Haig attacks Reagan's initiative

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

MR ALEXANDER HAIG, the former Secretary of State, has come out of his corner for the first time since his June resignation with a battling attack on President Ronald Reagan's new Middle East peace initiative.

Mr Haig, who clearly regards the plan as slanted against Israel, was particularly critical of Mr Reagan's call for a freeze on Israeli settlements on the West Bank. In a New York address to the United Jewish Appeal, a Jewish fund-raising organisation, he called the move "a very serious mistake."

Mr Reagan's plan for Palestinian self-rule in the West Bank and Gaza, in association with Jordan, could lead to a "gutting session" betweeo Israel and the U.S., Mr Haig warned. *His* remarks were warmly and frequently applauded.

"The peace process will only move forward if there is a spirit of co-operation between Israel and the U.S.," he continued. "That has been shaken in recent days."

Mr Haig said that the Palestine Liberation Organisation *would* have left Beirut weeks earlier, and there would have been less bloodshed, if the "credibility" of the Israeli invasion bad been left "undisturbed."

While still Secretary of State, he argued that U.S. attempts to restrain the Israeli forces would *only* play into *Palestinian hands* and encourage the PLO to fight on. He was overruled by Mr Reagan as American public distaste for the Israeli operation mounted.

Mr Haig said that he had carefully studied the record of the Camp David agreements and found that Israel had never committed itself "to terminate permanent *settlements* on *the* west bank." By injecting the settlements issue into the Camp David process, "you create an obstacle that puts all in jeopardy," he said.

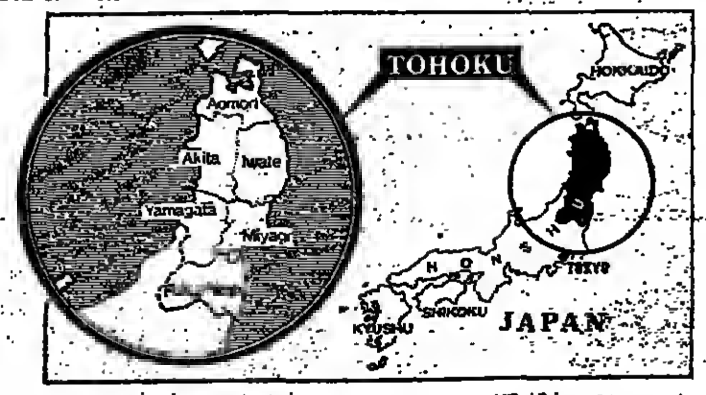
Most people imagine Japan to be homogeneously industrialised. The Tohoku region is far from it.

Japan nurtures a developing area

BY CHARLES SMITH, FAR EAST EDITOR IN TOKYO

TO THOSE who think of the Japanese archipelago as one huge industrial estate churning out steel and cars for export to Europe and the U.S. it may come as a surprise to learn that Japan has its own underdeveloped areas.

The six prefectures of north-eastern Honshu, known collectively as the Tohoku region, contain nearly one-fifth of Japan's total land area but were responsible, in 1981, for just 0.2 per cent of the nation's exports.



Until very recently, Tohoku has been known mainly for its hot spring resorts, its quaint wooden dolls and (before the Second World War) for the marked tendency of its young men to join the Japanese army. Now all that is changing.

Tohoku's gross regional product has been growing faster than Japan's gross national product during the past two years or so, but not because its agriculture has been thriving or because of a sudden burst of entrepreneurial enthusiasm on the part of local businessmen.

What has happened is that top Japanese companies with factories in other parts of Japan have "discovered" Tnhoku and begun investing there much as, for the past ten years or so the same companies have been establishing offshore manufacturing facilities in neighbnuring parts of Asia.

The attractions of Tohoku to a Japanese company located in one of the congested areas surrounding Tokyo and Osaka include cheap land, plentiful water sopplles and a labour force which stays on the job longer and goes sick less often than the workers further south.

Companies which have responded to these lures include electronics makers such as Hitachl, Fujitsu and Matsushita all of which are now manufacturing high technology products such as integrated circuits or video heads in the Tomoku region.

A number of U.S. electronics makers are said to be scnuting the region for suitable factory sites, even though it was only last year that the American Chamber of Commerce in Tokyo organised its first mission to the area.

Characteristic of the Toboku region as a whole—but rather more successful than most of its rivals io the race to attract investment—is the prefecture of Yamagata in the region's south-west corner. Until the early 1960s Yamagata's main industries were silk fabrics and sake brewing and the journey by road from the prefectural capital to *Tokyo took a minimum* of 12 hours in summer.

In the winter, the roads out of the prefecture were impassable because of snow on the mountain passes.

The road journey was cut to eight hours in 1966, when a tunnel was built on the main route to the south and to 5½ hours in the early 1970s. Yamagata's population continued to fall until five years ago and even today is below the post-war peak level of 1.35m.

What has changed the outlook for the prefecture in the past few years is the arrival of nearly 400 companies from central and south-western Japan, whose collective sales account for about 35 per cent of local industrial production.

Yamagata still has regions where agriculture is almost the noly productive activity but the prefectural governmeot, now half way through its sixth five-year economic development programme, seems determioed to bring industry even to these places.

At Shiojo, in the north-western corner of the prefecture, the *snow lies* 1.8 *metres* deep for four months in the wioter and farming families go south in December to become casual labourers in Tokyo and Osaka. This will change in three years time when a Y6bn industrial estate opens for business on the carved off top of a small mountain.

A key statistic which illustrates the success of Tohoku as a whole in reversing what until a few years ago seemed like an incurable case of economic decline is the proportion of school leavers seeking jobs outside the region.

In 1969 out of 150,000 middle and high school leavers who went directly into employment 65,000, or 43 per cent left the region either voluntarily or involuntarily to look for jobs in the more prosperous south and west of Japan.

Two years ago the number of departures was 26,800, or 33 per cent of the young people going into employment. The figures indicate progress but in the opinion of local officials it *is still not nearly enough.*

That is why, for the past two years or so, the Tohoku region has begun trying to attract "genuine" foreign investment as well as foreign investmeot from other parts of Japan.

Manila tries to boost semiconductor exports

BY EMILA TAGAZA

EXPORTS of semiconductor products have been one of the strongest props for the Philippines' delicate economy, but the steep decline in the growth rate of these exports is worrying trade officials.

Anxious to sustain the supportive role of semiconductors—the tiny silicon chips used in computers, video games and telecommunications equipment—the Government is dealing out more incentives to semiconductor companies.

Last year, semiconductor microcomponent exports earned $636m (£353m), accounting for almost 11 per cent of the total value of 1981 exports. The Ministry of Trade and Industry said that the Philippines now accounts for about 20 per cent in volume of the world's output of assembled semiconductor devices.

Semiconductors have surpassed the performance of sugar, coconut oil and copper, traditionally the country's top foreign exchange earners. Raw commodities have taken a back seat since the plunge of world commodity prices, which started about five years ago.

But the industry is also starting to feel the recession. While semiconductor export volumes have been increasing in absolute terms, their growth rates are declining. Last year's earnings of $636m are up 22 per cent from 1980's $522m. But this rate is considerably lower than the average annual 71 per cent increase between 1977 and 1980.

The Philippines also faces stiffening competition as a prime site for international plants. Other Asian countries, especially Sri Lanka, now offer competitive incentives so that foreign semiconductor concerns have a wider choice of sites for new overseas plants.

Last year, Motorola of the U.S. was looking at both the Philippines and Sri Lanka as the base for a new factory. It finally decided in favour of Sri Lanka because of the apparent enticements offered by the government.

President Ferdinand Marcos has recently declared the semiconductor sector a "vital industry," roughly defined by the government as an investment area essential to national interest and where strikes are therefore banned.

The inclusion of semiconductors in the vital industry list was prompted by strikes which hit the country early this year affecting a number of semiconductor producers. Most of the disputes arose from deadlocked wage negotiations.

Under the Government's protective umbrella, semiconductor concerns have been granted several fiscal and tax incentives. This particularly benefits those doing sub-contracting work for international concerns or importing components for certain kinds of high-technology devices.

The Philippines is also aiming for the integration of semiconductor production through local manufacture of basic parts. A Trade and Industry ministry official said the Government wants to shift away from being a "mere assembler" of imported parts.

"We cannot forever be a country of sweat shops processing parts for industrialised countries," he said.

Mr Roberto Ongpin, the Trade and Industry Minister, acknowledged the danger in failing to broaden the semiconductor industry's base. He told a group of businessmen recently that over the years the Philippines had benefited greatly from the "migration" of semiconductor companies from industrialised countries, especially the U.S. and Japan, because of cheap labour.

But Mr Ongpin said that up-and-coming countries like Sri Lanka and Bangladesh are becoming more attractive as sites for assembly plants. "It is now time for the Philippines to move to a more sophisticated level of technology, rather like the stage where Hong Kong's and Singapore's semiconductor industries are," he said.

Many companies have been lukewarm to the new incentives because of what they call the omnipresent "nuisance factors" that impede their dealings with the government.

Companies are unanimous in saying they are encouraged by the government's intention to improve the country's investment climate, but note that implementation gets bogged down in bureaucracy.

Mr Earl Honbostel, general manager of Mark Electronics, cited special problems with the customs bureau.

An official of another foreign company added that there are often rows with customs over tax rates.

"While the official list of customs duties specify one rate, it is not uncommon that we get charged a different rate by customs men," he said. Most others complain about the perpetual irritant arising from corruption.

Nevertheless, the Government is bullish about the prospects of the semiconductor industry. The Trade and Industry Ministry is projecting that semiconductor exports will rise to $1bn in 1985, and that about $150m in fresh investments will be injected in local industry by foreigners. The Ministry said that about 10 U.S. companies are looking at the Phillppines as a possible area for future operations.

While the Philippines is doing its utmost to perk up trade and investment, its task is that much more difficult because of the global reaction.

This year, the country faces a record-high trade deficit. During the first six months, exports were down 10 per cent to $2.7bn, from the previous period's $3bn. The trade deficit hit $1.3bn during the first semester, almost 50 per cent above the $889m deficit incurred in the same period last year.

Ten countries submit plans for Indian power plants

BY K. K. SHARMA IN NEW DELHI

THIRTEEN compaoies from 10 countries have submitted detailed proposals to the Indian Government to build thermal and hydroelectric plans to help overcome the acute shortage of power in most parts of the country.

All the offers are accompanied by financing packages worth a total of over Rs 70bn (£10.7bn). They contain proposals for raising funds from the world capital markets, export credits and government aid.

So far, the Indian Government has accepted only a British offer to set up a "super" thermal power plant of a capacity of 1,000 MW at Rihand by a consortium led by Northern Engineering Industries (NEI). Indications have been given to Mitsubishi of Japan that it will be awarded a similar contract.

Eleven other offers have come from West Germany, Switzerland, France, Italy, Sweden, Poland, Yugoslavia, Austria and Canada. All are detailed proposals, most of them linked to specific projects, although a few are general and give the option to the government to choose the site of the proposed plant.

The companies which have made the offers are Deutsche-Babcock of West Germany, Brown Boveri of Switzeralnd, Alsthom-Atlantique and CGEE-Al - Stuck of France, Ansaldo and Electroconsult of Italy, Asea-Atom of Sweden, Elektrim of Poland, Ingra of Yugoslavia, Elin of Austria and the Canadian International Development Agency.

The offers were made after the Indian Government announced it would look to external companies and financing to help it build additional power generation capacity.

The Indian electricity shortage is restricting industrial production and economic development.

The government is also seeking foreign help to improve the functioning of the existing generation plants, most of which are running at well below 50 per cent of capacity.

Optimism over airlines' future

By Arthur Sandles in Las Vegas

AIRLINES MAY be on the brink of better times. That note of optimism has come from Mr Paul R. Ignatius, president of the U.S. Air Transport Association.

Speaking at the Discover America international travel convention, Mr Ignatius said that as far as the airlines were concerned there were "encouraging signs."

"Fuel prices have stabilised; travel demand is resuming—a growth trend that should quicken as the economy rebounds," he said. At the same time, he said, "many airline managements have been able to achieve important productivity gains which will help keep air transportation costs down."

One aspect of airlines in the U.S. which is easing financial burdens is that U.S. air traffic control is approaching the full cover that was provided before last year's controllers' strike.

When the Reagan Administration sacked the strikers, many small air traffic control centres were closed. By next summer everything should be back almost to normal, he said, although peak hour delays may still occur at some airports.

Mr Ignatius's optimism coincided, however, with some gloomy statistics from the U.S. Travel and Tourism Administration. These showed that in the first six months of this year travel by foreigners to the U.S. dropped by 6 per cent.

The trend seems to be downward. In the second quarter, both Mexico and the UK showed 24 per cent drops.

Swedish consortium poised for joint venture in China

BY WILLIAM DULLFORCE, NORDIC EDITOR, IN STOCKHOLM

A CONSORTIUM of Swedish companies was due to sign in Peking yesterday a $24m (£13.3m) agreement, establishing a joint venture to build a pharmaceutical factory in China.

The Swedes will hold half the share capital in the new company, Sino-Swed Pharmaceutical Corporation, the other half being owned by the Chinese Pharmaceutical Corporation, the province of Jiangsu and the town of Wuxi, where the factory is to be built. The town is a two-hour train journey from Shanghai.

The Chinese have waived the claim to a majority shareholding which they have exercised in most of the 44 joint venture agreements they have signed so far.

The five Swedish pharmaceutical companies involved—Astra, KabiVitrum, Ferring, Ferrosan and Leo—will invest $4m of the share capital with Swedfund, the Swedish fund for industrial co-operation with developing countries, subscribing $2m.

The Chinese will invest the remaining $6m in share capital. The total investment is expected to come to $24m.

The contract stipulates that the plant should cover the foreign currency costs of the imported materials it will need by exports. When the factory is operating fully in 1986, it is estimated that some 30 per cent on its output will be exported.

The Swedes calculate that annual sales will reach about SKr 115m (£11m) at current Chinese prices. China currently buys pharmaceuticals from the West to a value of some $2.5bn a year, according to the Swedes.

The factory will have the capacity to produce annually 600m tablets, 500,000 one-litre bottle of intravenous feed and 7m ampoules.

Among the products it will manufacture are Astra's cardio-vascular and anti-asthma drugs and KabiVitrum's clinical nutrition material. The factory also will produce C vitamins and headache pills. It will have a Swedish managing director.

Venezuela in oil export drive

By Kim Fuad in Caracas

VENEZUELA hopes to increase its crude oil exports to West Germany five-fold under an agreement to send 100,000 barrels per day to West German refiners, says Petróleos de Venezuela (PDVSA).

Sr Rafael Alfonzo Ravard, the company president, said that by the end of the year "we hope to have established the basis for an agreement which will permit us to sell 100,000 b/d to the German market." Venezuelan exports to West Germany last year averaged 17,500 b/d.

PDVSA is currently negotiating with Veba Oil, the West German state-controlled oil company, to sell larger volumes of heavy crude, reportedly offering preferential prices, long-term supplies and possible investments in upgrading German refineries to process the non-conventional heavy crude.

Agencies add: Last year Veba Oil completed the first part of a joint feasibility study to build an 11m barrel per year synthetic fuel plant in Germany by 1988.

Under the project, Venezuela would initially ship a mix of conventional and non-conventional crudes.

Emirates contract

CIT-Alcatel, the telecommunications arm of the nationalised Cie Generale D'Electricite, said it has won a contract to install its T-16 telephone system in the Arab Emirates, AP-DJ reports from Paris. The company said its subsidiary Telic Alcatel will install 10,000 telephone lines under a contract with the Emirates' National Telecommunications Company.

Bechtel to carry out refinery study

By Richard Johns

BECHTEL has been commissioned by the Gulf Organisation for Industrial Consulting to do a feasibility study on a refinery to produce feedstocks for member states' petrochemical industries.

Saudi Arabia, Kuwait, Bahrain, the United Arab Emirates, Qatar, Oman, and Iraq are members of GOIC which was established to set up regional jointly-owned projects which could not be justified by the consumption of a single state.

No location has been specified for the proposed "petrochemical refinery." One of the purposes of Bechtel's "techno-economic assessment" will be to designate one.

Soviet order won by Toyo of Japan

TOYO Engineering of Japan has won a $15m (£8m) contract from the Soviet trade organisation, Techmashimport, to supply a 25,000 ton aluminium chloride plant.

The plant will come into operation in 1984 at Sterlitamak in the Urals. The aluminium chloride will be used to produce catalysts for the petrochemical industry, writes Anthony Robinson in Moscow.

The contract, signed during the Chimia-82 chemical industry trade fair, follows the awarding of a $100m contract to Toyo for the supply of a butadiene plant to the Tobolsk petro-chemical complex in Siberia last year and another major contract to supply 32 ammonia plants in 1977.

Outlook brighter for Europe's U.S. arms trade

BY DAVID TONGE, DIPLOMATIC CORRESPONDENT

EUROPEAN countries' efforts to reduce their deficit in arms trade with the U.S. have been helped by recent moves in the U.S. Congress.

The U.S. House of Representatives has reversed legislation enacted last year which prevented foreign companies from selling defence equipment to the U.S. if their products included "specialty metals" obtained from outside the U.S. By forcing foreign companies to replace their normal suppliers with U.S. sources, the move has caused European companies to lose a number of small contracts in the U.S.

The legislation apparently had been enforced in a way which protected a number of major existing contracts such as the February, 1981 UK contract to sell around £150m worth of the Rapier anti-aircraft defence system to the U.S.

But U.S. officials in Nato warned that the provisions jeopardised a Belgian programme to build 155mm howitzers under U.S. licence and could have complicated Anglo-American co-production of the Harrier jump jet, designated as the AV8B in the U.S. They also feared its effects on a programme in which General Electric of the U.S. would build jet engines with Snecma of France, as well as on British attempts to win contracts to offset the costs of acquiring U.S. Trident missiles.

The new mood in the U.S. Congress surfaced last month when the House of Representatives reversed "Buy American" provisions incorporated in legislation last year. The House also removed the stipulation that U.S. armed forces in countries such as Britain, Italy and West Germany be required to buy U.S. vehicles for official use. The changes follow lobbying by the Administration which was disturbed at the effect the moves could have on Nato weapon co-operation.

European countries were particularly worried that last year's moves might reverse almost a decade of effort to improve the arms trade balance between the U.S. and its allies. In 1977 European countries were buying 10 times as much defence equipment from the U.S. as the U.S. was buying in return.

In 1975 the U.S. signed a memorandum of understanding with Britain "relating to principles governing co-operation in research and development, production and procurement of defence equipment." It has since signed similar memoranda with its other allies.

Britain's attempts to ensure a "two-way street" in defence trade have caused the ratio to improve dramatically. From around 6:1 in 1976 it has narrowed to under 2:1 in most recent years. In total in the years 1976-81 Britain has placed orders in the U.S. for around £2.5bn and received orders in return for around £1bn. Major outstanding contracts placed by the U.S. for the AV8B, the Hawk trainer aircraft and Rapier are worth over £1bn. However, for most European countries the ratio of expenditure is far more to the U.S. advantage, averaging around 10:1.

British officials see the moves in the U.S. Congress as helping their small companies. But they warn that the moves are unlikely to make a major difference in British firms' attempts to win contracts in the overall Trident programme.

"Our firms have had the doors opened to them in this field, but they are competing with family firms," one official said, underlining the problems British companies may have in competing with U.S. suppliers with long-established links with the main contractors, such as Lockheed.

Stansted 'would deprive the North'

BY NICK GARNETT, NORTHERN CORRESPONDENT

MAJOR CAPITAL projects, including British Rail's electrification programme, could be shelved or seriously delayed if Stansted Airport is developed, the North of England Regional Consortium says in evidence prepared for the public inquiry into proposals for turning Stansted into a third London airport.

An outline of the case which will be made next week by the consortium, representing 19 county and city councils and eight airport authorities, was published yesterday. It makes five general points about the proposal from the British Airports Authority.

The consortium argues that existing economic and social divisions between the North and the South have widened during the recession and that the need to alleviate this should influence all major national investment decisions. The development of new airport facilities in the South-East, it says, will barden those divisions.

Second, it says attempts to bring new dynamism to the regional economies would be further undermined by the cost of building a new airport at Stansted.

It says the project would cost between £700m and £1.35bn at present prices and this would divert finance from other programmes, such as urgent housing.

Third, it argues that a study by the Economic Intelligence Unit, commissioned by the consortium, shows that air travel to aod from the UK will not rise at the rate projected by the BAA because the latter has been too optimistic about the speed of recovery from the recession.

It also says no assessment has been made of demand likely to be generated outside the South-East. The units study forecasts that by 1995 about 33m passengers could be accommodated on viable flights from regional airports.

Fourth, the consortium claims that Stansted would compete directly with many regional airports and would act as a substantial disincentive to airlines to increase their operation from regional centres. It also says that the advantages of centralisation to the airlines have been exaggerated.

Finally, it says it is not in the national interest that regional airports created mainly with public funds should be underused.

The submission says the development of Stansted or a fifth terminal at Heathrow should be rejected: airport policy should be considered in the context of regional policy and the Government should consider financial assistance to airlines for the purchase of aircraft which can operate profitably from regional airports.

Michael Donne, Aerospace Correspondent, writes: the British Airports Authority is expected to publish its reactions to the North of England Regional Consortium's objections to Stansted Airport development today.

The authority is expected to make clear that it is not opposed to the development of airports elsewhere in principle (it runs airports of its own in Scotland, for example), but there is a clear case for further airport capacity being developed to serve London and the South East.

'Key role' for voluntary groups in training

By Alan Pike, Industrial Correspondent

VOLUNTARY organisations will have a crucial contribution to make to the development of the Youth Training Scheme, the Manpower Services Commission said in a report published yesterday.

About one-tenth of places on the Youth Opportunities Programme, which the Youth Training Scheme will replace in a year's time, are provided by the voluntary sector. Voluntary organisations are responsible now for 44 per cent of places on community projects and almost 25 per cent of places in training workshops.

Yesterday's report, prepared by the MSC and representatives from the voluntary sector, suggest that organisations with "entrepreneurial flair and imagination" may wish to administer the scheme as managing agents—possibly sub-contracting elements of the training package to local employers and training establishments.

"There are many voluntary agencies with considerable experience of this kind of role," it says.

Voluntary Organisations and the Manpower Services Commission Special Programmes—MSC, Moorfoot, Sheffield S1 4PO.

Quarter of householders own their own homes

BY ROBIN PAULEY

ALMOST a quarter of British householders owned their homes outright and another quarter were buying them, mostly with building society mortgages, in 1980.

According to the General Household Survey 1980, published by the Central Statistical Office today, most of the families in rented accommodation lived in local authority or new town homes.

The biggest fall was in the numbers living in private unfurnished renled homes, down from 12 per cent of all families in 1971 to only 6 per cent in 1980.

Of those people who owned their homes four in 10 had originally had a loan or mortgage and about the same number had bought the property outright. About one in eight had inherited the home, which was almost alwaya a house rather than a flat or maisonette.

Owner-occupiers were far less likely to be among the two per cent of households burgled in a year. They suffered at the rate of only 21 per 1,000 compared with 72 per 1,000 for people in private rented furnished accommodation of wbom flat dwellers were the prime targets. The value of goods stolen exceeded £100 in about a quarter of all burglaries and about one in 10 of those affected were burgled more than once during the year.

There were more consumer durables in homes to tempt burglars than ever before. About 96 per cent of the population had a television set, ranging from a low of 95 per cent among the professional classes to a high of 99 per cent among skilled and semi-skilled manual workers.

About 93 per cent of households had a refrigerator compared with only 73 per cent in 1972 but a quarter still had no washing machine and the same proportion had no telephone although only 50 per cent of homes had a telephone as recently as 1974.

More cars

The proportion of households with a car or van continued to rise very slowly and was 58 per cent compared with 52 per cent in 1972.

Among unskilled manual workers the proportion of car and van owners fell from 32 per cent in 1976 to 29 per cent in 1980, presumably reflecting the heavily-increased cost of running, taxing and insuring vehicles. At the other end of the scale the number of households with three or more cars or vans rose from one per cent in 1971 to two per cent in 1979 and 1980.

More people had installed the relatively-expensive item of central heating in their homes during the past decade and about 57 per cent of all bomes had some form of central heating compared with 37 per cent in 1972. Fourteen per cent of professional workers and 60 per cent of unskilled manual workers were still without.

By 1980 more than half of Britain's mothers with dependent children were working but only 17 per cent had full-time jobs. Only about 23 per cent of mothers with a child under three had a job compared with 70 per cent of those whose youngest child was over 10.

The survey showed that many people—particularly men—still worked very long hours.

A third of all full-time male employees usually worked more than 46 hours a week in 1980 compared with 6 per cent of females. As many as 16 per cent of the men worked 51 hours or more. Both managers and foremen tended to work longer hours than other socio-economic groups and more than half the men employed in transport and communications worked 46 hours or more per week.

The majority of men working very long hours usually did some paid overtime but a quarter working more than 60 hours a week said they did not work overtime and 16 per cent said their overtime was unpaid.

Of the 38 per cent of all male employees who did work some paid overtime, two-thirds said they bad to rely on it to bring their pay up to a reasonable level.

There was a change in the pattern of spending on drinks and cigarettes. The popularity of smoking continued to decline among men but not women. Only 43 per cent of men smoked in 1980 compared with 45 per cent in 1978 but the proportion of women smokers remained at 37 per cent. Smoking fell off sharply in the 16-24 male age group where it is down to 38 per cent compared with 36 per cent of women.

In 1980 there were fewer male heavy drinkers and more light drinkers than in 1978. However, 23 per cent of men were still classified as heavy drinkers. This means consuming at least seven or eight units of alcohol on a typical occasion even if that occasion is only once or twice a week. A unit is half a pint of beer, lager or cider, a single spirits measure; a small glass of port or sherry or one glass of wine.

The Scots have finally lost their reputation as heavy drinkers. In 1980, unlike 1978, there was not a significantly higher proportion of male heavy drinkers in Scotland than in Britain as a whole and expenditure per household on alcoholic drinks was higher in the north west, Yorkshire and Humberside than in Scotland.

The survey shows that more people than a decade ago had educational qualifications and the earnings gap between the highly qualified and the less qualified was narrowing fast.

In 1980 36 per cent of men and 26 per cent of women had some "O"-level passes compared with 25 per cent and 18 per cent in 1971. In 1980 men with full-time jobs who had a university degree or similar qualification earned an average of 50 per cent more than those without any "O"-levels. In 1971 they earned 100 per cent more.

Old people

A new section of the survey deals with the situation of Britain's elderly (aged 65 or over) living in private households. Some 60 per cent of the total were women rising to two-thirds in the over 75 group.

A third of those over 65 lived alone and at least 70 per cent of the elderly lived in households where no one was under 65.

Most of the elderly—six out of seven—saw friends or relatives at least once a week and nearly a third did so every day or most days. More than a third of the old people in the survey had seen a doctor during the previous month.

The survey is compiled every year from interviews with about 24,000 adults living in private households in Britain. Together with the Family Income Survey and Social Trends it provides a statistical picture of the evolving pattern of the way we live.

General Household Survey 1980, SO, £12.70

All systems go for Lear Fan take-off

Michael Donne on the £50m deal that will give birth to a "major" executive aircraft.

THE JOBS of 560 aircraft workers in Northern Ireland, and the possibility of more than 2,200 new jobs, appear to be safeguarded as a result of the new investment of up to £50m from Saudi Arabian and other investors in the revolutionary Lear Fan twin-engined turbo-prop business and executive aircraft.

The deal was announced in Belfast yesterday by Mr Bob Burch of Denver, the new chairman and chief executive of Lear Fan. Mr Burch is heading a consortium of businessmen, which includes the Saudi Arabian group, expected to invest up to £50m in the Lear Fan venture to get the aircraft into full production at factories in Newtownabbey and Aldergrove.

Mr Burch, an independent operator in the oil industry, bas never been involved in aerospace, but be said yesterday that he and his fellow investors were "happy to be involved in the project.

He added: "We want to build a major aircraft and we have the manufacturing company to do it. The first step of survival is over. We want to have it (the aircraft) certificated, and then we want to prosper."

Everyone associated with the venture, not least the Government which has pumped in £34m, hopes Lear Fan is back on course for a long and profitable career in world business and executive aircraft markets.

The Lear Fan is a design for an eight passenger aircraft emanating from the late Mr William P. Lear. His widow Mrs Moya Lear, who is on the board of Lear Fan, yesterday said she was "very happy it bas worked out like this."

The aircraft incorporates two turbo-shaft engines (from Pratt and Whitney of Canada) driving a single propeller at the rear of the aircraft.

The aircraft is substantially built with advanced graphite epoxy and other composite materials, including boron, glass fibre and Kevlar. The basic design, engineering, research and development has been hitherto the responsibility of Lear Fan (USA) at Reno, Nevada, where about 400 are employed. Another 560 employed in the two Northern Ireland plants on manufacture and assembly.

The prototype flew in the U.S. some time ago and is said to be performing well in flight tests. The aim now is to get the aircraft into full production and to start deliveries next September, following the award of a certificate of airworthiness from the UK Civil Aviation Authority's airworthiness requirements board.

Advance orders total 272 aircraft. The aim is to increase production to between 20 and 30 aircraft a month.

The aircraft, which is expected to sell for close to \$2m (£1.17m) apiece, features a low fuel performance claimed to be about one-third that of small business jets of comparable size.

Under the re-financing package which has been agreed the Lear Fan organisation is being revised, with up to £40m coming from the group of US and Saudi Arabian investors and another £10m from the Northern Ireland Ministry of Commerce.

Mr Adam Butler, the Northern Ireland Minister for Industry and Commerce, said the Government would have two directors on the board of the company being set up, Fan Holdings Incorporated, of Delaware.

Lear Fan of Ulster will become a wholly-owned subsidiary of Fan Holdings. The Northern Ireland Department of Economic Development, will have a 5 per cent stake in Fan Holdings.

It is hoped up to 2,800 jobs will be created in Ulster when the aircraft is in full production. Much depends on the recession. The world market for business and executive aircraft has been depressed in recent months but there is a widespread belief that once the recession fades, the market for business aircraft could improve substantially.

300 aerospace jobs cut

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

ABOUT 300 workers are to be made redundant because of a drop in orders by Normalair-Garrett, the high-technology aerospace engineering company jointly owned by Westland Aircraft (52 per cent) and Garrett Corporation of the U.S. (48 per cent).

The company, based at Yeovil, Somerset, employs about 2,200. The managing director, Mr William Miller, said yesterday that a contracting order book made it necessary to shrink the size of the company.

A statement said that earlier this summer the company had experienced a plateau which looked like continuing for some time but "unfortunately the new business coming forward is well down on the disappointing prediction made at that time."

Island air fares may rise

BY OUR AEROSPACE CORRESPONDENT

BRITISH Midland Airways has asked the Civil Aviation Authority for permission to raise fares between provincial cities and the Channel Islands by up to 10 per cent from November 1.

The routes involved are from Belfast, Birmingham, Coventry, East Midlands, Glasgow, Liverpool, Luton, Southend and Teesside. The rises vary according to time of year, type of service and route.

The rise sought between Birmingham and the Channel Islands is from £51.50 single to £54 (4.8 per cent) for an all-year economy ticket. A weekday special economy excursion ticket from Luton would rise by about 10 per cent next summer from £68 to £75.

UK NEWS

Isle of Man insurance restrictions planned

Financial Times Reporter

STRICT guidelines for the operation of captive insurance companies ere to be laid down by the Isle of Man Government, Dr Edgar Mann, chairman of the island's finance board, said yesterday.

Addressing the second international conference on captive insurance companies he said that guidelines had been laid down as a result of a Manx Act which allowed such companies exemption from taxation on some activities.

The first requirement was that the company should normally have a paid-up capital of not less than £50,000 with a solvency margin equal to at least 15 per cent of the premiums written in the previous financial year.

The companies' reinsurance support would also come under close scrutiny with the Treasury studying the adequacy of the financial ratios of companies providing it.

An exempt insurance company would be required to submit a copy of auditors' accounts not less than four months after the end of its financial year. It would also be expected every three months to submit management accounts as a statement on assets, liabilities and revenue to the Treasurer.

Company officers would be required to he fit and proper persons associated with the insurance business.

Dr Maun said: "The Manx Government would far rather accept a slower or more selective pace in the development of captive and reinsurance companies than allow the risk of badly-managed, under-capitalised companies without the support of major institutions in other countries.

"We will provide the opportunity and taxation climate for the profitable development of offshore captive insurance and reinsurance companies in the years to come."

The Isle of Man finance board has decided that two consultative committees on banking and insurance should be set np to advise it on future relationships and supervision between the Government and those industries.

● Mr Michael Jordan and Mr John Dear have been appointed joint liquidators of the crashed Savings and Investment Bank by the Isle of Man Chancery Court.

Deemster Arthur Luft made the appointment after e two-day hearing of petitions seeking a court appointment of liquidators.

Road plans axed

THE GREATER London Council is to axe more than 60 roads and highway plans, including the West London relief road from Chelsea Embankment to Shepherd's Bush, and the Pool of London route.

The decisions heve been taken, says the GLC, after months of extensive public consultation. It emphasised yesterday that its policy on London's road programme is designed "to bring about a better use of resources and help redress the imbalance between the car and other forms of transport."

Vaudeville for sale

THE Vaudeville Theatre in London's Strand has been put up for sale by its owner, Sir Peter Saunders, for £650,000. Three other West End theatres—the Duchess, the Garrick and the Shaftesbury—are also on the market, but the Vaudeville has the attraction of being a freehold property.

The theatre also has planning permission for extra office accommodation above the auditorium. Sir Peter, who bought the Vaudeville in 1969, claims it has had only two unlet weeks in 13 years.

Underspending of £1bn by councils likely in 1982-83

BY ROBIN PAULEY

LOCAL AUTHORITIES in England are expected to underspend their limits in a number of areas, including housing, edncation, social services and transport, by more than £1bn in 1982-83.

This projection is based on the pattern shown by figures for councils' capital expenditure for the first quarter. In 1981-82 the underspend in these areas was £700m.

The Environment Department'a report monitoring capital spending in the April-June quarter comes at an embarrassing time for both the local authorities and Mr Michael Heseltine, the Environment Secretary.

Councils muat explain for the second successive year why they are spending an estimated £1.5bn annually above Government targets on wages and services, while underspending on long-term capital investment projects.

The report shows net capital expenditure in the April-Juna quarter of £287m.

This was "substantially lower than our forecast quarterly profile of expenditure required to achieve full take-up of the cash limit."

Using historical factors, the projected capital spending total for the year would be £1.743bn, an underspend of £1.642bn or 49 per cent on the cash limit of £3.385bn.

Taking account of special factors and likely variations between the quarters the final 1982-83 underspend would still be between £1.1bn and £1.3bn, the report says.

The first-quarter projections, unadjusted, suggest a level of underspending in 1982-83 on capital projects of 4 per cent on education, 40 on personal social services, 70 on housing, 23 on transport and 48 on other services.

The report says housing expenditure is likely to prove very much higher than the initial estimate suggests.

Mr Heseltine, having agreed with the Treasury that an extra £900m be provided for council current spending next year, now has e bid in for several hundred million pounds more for housing next year.

Mr Leon Brittan, Treasury Chief Secretary, is now discussing 1983-84 public spending plans with each department.

The main source of council capital receipts is from council house sales.

At the start of 1981-82 councils had an estimated £1bn in unused capital receipts in the banks. A further £1.079bn was received in capital receipts, of which only £373m appears to have been spent, leaving £706m to add to the unused balances.

In first-quarter 1982-83 capital receipts maintained their level, £234m coming from council house sales.

"As in 1981-82 it appears that local councils are likely to make little usa of their freedom to supplement capital allocations with prescribed capital receipts," the report says.

Two-year output down by 5½%

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

THE UK's output fell by 5¼ per cent between 1979 and 1981, but at the same time real disposable income fell by only 1 per cent, according to the Government's blue book on income and expenditure published today.

These figures compare with a fall of 3¼ per cent in output in the previous recession between 1973 and 1975 and a fall in that period of 6 per cent in real national disposable income.

The blue book shows that national output and income (defined to be equal to each other) fell in real terms by 2.4 per cent between 1980 and 1981.

Between the two years, real national disposabla income, which measures the volume of goods and services available to the nation, was little changed. The difference betweeo this and the output figure reflects the iocreased penetration of imports relative to the slower growth of exports.

Production of goods between 1980 and 1981 fell by 5 per cent and the provision of services was down by ½ per cent.

The 6 per cent overall fall in the volume of manufacturing industry's output brought it to a level which was 15 per cent lower than in 1979. Activity in the construction industry fell by 11 per cent between tha two years, but output of North Sea oil and gas rose by 10 per cent.

Inflation, as measured by tha index of total home costs in the national accounts, was 10¼ per cent between 1980 and 1981. This compares with an increase of 11.9 per cent in retail prices batween the two years and an increase of 13.6 per cent in tha prices paid by manufacturers for materials and fuel. Income from employment rose by 8 per cent in 1981.

The blue book shows that the volume of fixed investment fell by 8 per cent between the two years while destocking continued at a rate of £4.1bn in 1981 compared with £2.7bn in 1980.

Total personal income in 1981 rose by 9¼ per cent, although after allowing for increased taxes, personal disposable income was up by 8¼ per cent. However, real personal disposable income fell by 2 per cent, the largest year on year fall since the war.

National Income and Expenditure 1982 edition, SO £13.50.

'Hush-hush' nuclear sites list published

BY RAY DAFTER, ENERGY EDITOR

A CONSERVATION pressure group yesterday published e long, "highly confidential" list of sites said to have been earmarked for building up to 116 nuclear reactors.

The revelation was immediately attacked by the Central Electricity Generating Board as an "absurd overstatement made for propaganda purposes."

The 2,000-member Suffolk Preservation Society, a branch of the Council for the Protection of Rural England, claimed that the list showed the extent of the CEGB's site investigations for a nuclear power programme

The list, it was claimed, detailed about 50 sites in Britain capable of accommodating nucleer stations with e combined capacity of 151,000 MegaWatts.

At present the CEGB has 18 nuclear reactors with a capacity of about 5,000 MW.

"It is not our list," protested the CEGB, pointing out that names of a number of sites, including some already used for power generation, were misspelt.

The list was released at the launch of e £46,000 fund-raising campaign by the CPRE and the Suffolk Preservation Society. The organisations want the money to fund their opposition case at next January's public inquiry into the proposed Sizewell B nuclear power station.

Mr Robin Grove-White, director of the CPRE, said the list of CEGB sites showed "the extent of the possible upheaval our coastline and countryside could face over the coming decades from CEGB's policy of ever more large power stations in rural areas."

The list and accompanying map were in sharp contrast to the proposals published by the CEGB last month.

Then the board listed five sites which it said could be required for nuclear power stations in the 1980s: Dungeness, Kent; Sizewell; Winfrith, Dorset; Hinkley Point, Somerset; and Druridge Bay in Northumberland.

Three, Hinkley Point, Dungeness and Sizewell, are extensions of existing sites.

The source of the society's list is e mystery, though much of the information on sites considered by the CEGB and Scottish power boards was in a 1979 report of the Watt Committee, a body of professional institutions set up to study energy matters.

A former CEGB planner sat on the committee as a member of the Institution of Electrical Engineers.

CBI vote of confidence for Beckett

BY ALAN PIKE, INDUSTRIAL CORRESPONDENT

THE CONFEDERATION of British Industry council passed a vote of confidence yesterday in Sir Terence Beckett, its director-general, following last month's resignation of Taylor Woodrow from the organisation.

Taylor Woodrow, one of Britain's largest construction groups, withdrew saying that the CBI did not truly represent the private sector, and protesting against confederation criticisms of Government policy. The resignation came soon after Sir Terence had met Mr Peter Shore, tha Shadow Chancellor, to discuss economic issues.

Two members of the council apparently warned the CBI leadership at yesterday'a meeting to be careful how they presented their case, even when the case was right.

But Sir Campbell Fraser, CBI president, stressed after the meeting that the CBI and Government saw eye-to-eye on most policy matters, though there were differences. He said that representatives of other major construction companies spoke in support of the CBI at yesterday's meeting.

The meeting endorsed e preliminary response to tha Government Green Paper on Corporation Tax, writtan on the assumption that the tax would be retained.

Sir Terence said that though some members would like to sea mainstream corporation tax abolished, "the CBI believes thet a number of modifications to the existing tax are the most likely outcome to the Government's Green Paper."

GEC phone exchange jobs to be cut by 550

By Jason Crisp

GEC Telecommunications is to make 550 of its 10,000 employees redundant by April. The jobs will be lost at Kirkcaldy and Glenrothes in Scotland and in Hartlepool and Coventry, the head office, in England.

The company said yesterday the redundancies were the result of new technologies. Since the early 1970s the major telecommunications manufacturers have made substantial cuts in jobs. The staff needed to produce modern electronic telephone exchanges is a fraction of that needed to make old-fashioned electro-mechanical exchanges.

Talks on the redundancies have begun with unions. It is hoped some job losses will be achieved through early retirement, voluntary redundancy and job sharing.

The company is one of three major suppliers of telecommunications equipment to British Telecom and is highly profitable. As it is still supplying some old-fashioned electro-mechanical exchanges—mainly to extend existing equipment—it is likely there will be further redundancies when orders finally dry up.

ANGLESEY ALUMINIUM is to make 180 workers redundant et its Holyhead smelter in North Wales. Low aluminium prices were blamed for tha cuts, which represent a fifth of the workforce. The management hopes they can be achieved through voluntary redundancies over the next three weeks. It will bring the number of jobs lost at the plant since the onset of the recession to 540.

Mr Don Hamilton, managing director, said the redundancies were aimed at maintaining the security of the smelter's remaining 800 jobs. They will affect 100 hourly-paid workers and 80 management staff.

Despite the introduction of a number of measures over the years to lower production costs, they had continued to exceed the market price for aluminium.

Anglesey Aluminium is two-thirds owned by the U.S. Kaiser Aluminium Corporation and one-third by the RTZ Group. It produces 112,000 tonnes of aluminium e year.

Earlier this week, Alcan announced 350 redundancies at its Rogerstone mill near Newport, South Wales, reducing the workforce to 1,400.

Redpath Dorman Long, the structural engineering group sold by British Steel Corporation to Trafalgar House in May for £10m, is to shed 200 of its 3,000 workers.

This is considerably fewer than the 700 job losses forecast last spring. Almost all of the redundancies will be in staff positions. Trafalgar House officials assured RDL union leaders on Tuesday that none of the group's works would be closed.

RDL is to be integrated with the structural engineering division of Trafalgar'a Cleveland Bridge subsidiary.

Meanwhile, BSC is closing permanently one of two coke oven batteries at the Orgreave works at Rotherham, shedding 159 jobs.

The closure follows those at Brookhouse in February, 1981. Both works were considered vulnerable in the Corporation'e 1980 survival plan.

The decline in demand for steel has meant that the neighbouring Scunthorpe bulk steel-works is operating only two blast furnaces instead of the normal three and so can fill almost all of its coke requirements from local batteries.

BSC is also stopping production at its Ravenscraig works for the week from September 26 to October 2, making 4,500 workers idle, because of weak demand.

Production has already been stopped in the past four months at the corporation's works in Scunthorpe, Sheffield, Teesside and Wales. Further cuts in Sheffield are expected soon.

Global rebels vow to continue board fight

BY CHARLES BATCHELOR

THE BOARD of Global Natural Resources, the Jersey-registered oil and gas company, has defeated a challenge from a group of dissident shareholders, it emerged yesterday. The rebels did succeed, however, in ouating one of Global's seven directors.

Globel said it hoped the appointment of one of the dissidents' nominees would end the bitter, five-month proxy battle which bas cost the company several million dollars in legal fees, administration charges and advertising costs.

But the rebel group, whose efforts are being co-ordinated by Bear Stearns, the leading New York securities firm, said this was only the first step in its campaign to sack the entire board.

Mr Marvin Warner, one of the leading dissidents, has already begun court ection in Ohio to challenge Global's defence tactics and bring about a recount of the votes cast at Monday'a annual meeting of the company. The complexity of the issues and tha large number of votes cast meant counting was completed only yesterday.

Global announced that six of the seven members of the board had been confirmed in their positions by majorities of between 900,000 and 2.2m of the 12m votes cast.

Dr Gerold Bezzenberger, the only German director, was voted out by only 20,000 votes and replaced by Mr Alan "Ace" Greenberg, chief executive officer of Bear Stearns.

Mr Bezzenberger was a founder member of the group which rescued Global from the wreckage of Mr Bernie Cornfeld'a Investors Overseas Services (IOS) in the mid-1970s.

His defeat was apparently the result of voting by the editor of a West German investment publication representing a number of his readers.

This means that German shareholders, who own 6m of Global'a bearer shares, a quarter of the total, are not represented on the board. Global must act quickly to remedy this, said Mr Harry Fitzgibbons, a director of Global and of Hambros Bank.

The dissident shareholders said that the result clearly demonstrated that all their nominees would bave been elected, but for 3.1m sharea issued to McFarlane Oil as part of Global's $44m takeover of that company.

"The shareholders' committee intends to press for an early trial attacking the McFarlane acquisition," the dissidents said.

Monopolies body clears ICI's bid for Holden

BY RAY MAUGHAN

THE PLANNED acquisition of the specialist paint manufacturer, Arthur Holden & Sons, by Imperial Chemical Industries would not be against the public interest, the Monopolies and Mergers Commission reported yesterday.

ICI is thus free to renew the agreed £12.8m cash bid for Holden which lapsed on March 16 when the deal was referred to the commission.

Five members of the commission, headed by Sir Alan Neale, found that ICI had about 19 per cent of the United Kingdom paint market while Holden controlled 2 per cent. It was felt that the total domestic market was too diffuse to be considered in its entirety and the inquiry focused on Holden's principal area of activity—the manufacture of coatings for the tinplate and aluminium can industry. This accounts for more than 60 per cent of the group's sales.

The commission found that while ICI had no UK involvement in that area, Holden bad nearly 30 per cent of the market. The commission was told that, as a result of the merger, ICI would pick up a commanding share of another segment of the domestic paint market.

The commission was also told and accepted that the cost of entry into the can coatings segment had been made so high by the exacting technical standards required by the major international manufacturers, that ICI would not contemplate such a move except by an acquisition.

Holden made plain thet, given the choice, it would prefer to remain independent. Bnt its acknowledgement of its relatively small size and consequent vulnerability to a bid had already led to a tenative examination of friendly merger possibilities before ICI made its approach in Jannary.

ICI welcomed the findings yesterdey and is expected to unveil a new offer today. International Paint, the Courtaulds subsidiary which picked up a 12 per cent stake in Holden in January, was still considering the judgment and its implications.

Hanover Financial's chief thought to have met Cork

BY ROSEMARY BURR

MR PATRICK CURRAN, managing director of Hanover Financial Services, the company responsible for marketing Signal Life's controversial Gold Bonds in the UK, is understood to heve met Sir Kenneth Cork, for many years the best known insolvency practitioner in the country, yesterday.

The Department of Trada is believed to he conducting e confidential investigation into Hanover Financial Services through which Mr Curran started to operate early this year. Meanwhile, the Gibraltar authorities have launched an inquiry into the financial affairs and marketing operations of Signal Life, which is due to be completed by October 5.

Mr Curran is believed to have sought Sir Kenneth's advice at a meeting in the City on how best to deal with affairs of Signal Life.

When asked earlier in the day whether he was a director of Signal Life, the Gibraltar-based company, Mr Curran replied: "It is up in tha air. On July 27 the then existing board accepted my appointment as a director but it has not been ratified by tha Gibraltar authorities."

Mr Curran said: "I am not a con-man. I have 13 years of experience in selling insurance." Among his previous jobs he said were 2½ years with a large insurance company on the pensions side and e spell at the Hong Kong and Shanghai Banking Corporation in the cash department.

Mr Curran admitted "there were some sharp operators" among the offshore companies selling insurance-linked products in the UK, but said he believed bondholders should have been able to rely on the Hongkong and Shanghai Banking Corporation to vet the scheme.

The Jersey branch of the trustee division of the Hongkong and Shanghai Banking Corporation is the trustee to two Gold Income Bonds issued by Signal Life. The Gold Bonds were guaranteed income bonds with both income payments and capital repayment guaranteed.

The prospectus said investment would be in gold mining production in the Yukon.

In August, the Hongkong and Shanghai Bank Trustee (Jersey), a member of the Hongkong and Shanghai Banking group, issued a writ against Signal Life which includes as defendants Hanover Financial Services and Mr Patrick Curran.

Two weeks later, the Hongkong and Shanghai Banking Corporation agreed to refund £4.5m to the 2,000 Gold Income Bond holders. This sum covers investors' original outlay minus any dedncbion by the intermediary of commission but plus interest on the investment.

Conference hot seat ready for Whitelaw

By Ivor Owen

THE CONSERVATIVE rank and file seem more concerned about law and order than the state of the economy, to judge from resolutions submitted for discussion at next month's party conference in Brighton.

Once again Mr William Whitelaw, the Home Secretary, and not Sir Geoffrey Howe, Chancellor of the Exchequer, or any other member of the Cabinet with prime responsibility for economic policy, is booked for the hot seat at the conference which starts on October 5.

The agenda, published yesterday, contains more resolutions on law and order (104) than any other issue. Many of them reflect the fact that Mr Whitelaw's image among Conservatives is that of a wet and wobbly apologist rather than the iron-clad disciplinarian yearned for by the hanging and flogging brigade.

A dozen resolutions expressing dissatisfaction with the Government's law and order policy are couched in almost identical terms. This evidence of a concerted campaign against Mr Whitelaw has shocked some Tory elders who heve always regarded such tactics as the preserve of the Labour Party.

The full team of Home Office Ministers will join Mr Whitelaw for a question and answer session on the department's responsibilities. The session is expected to be dominated by protests about the level of immigration and the Government's failure to take action to deny Irish nationals resident in Britain the right to vote in elections for the Westminster Parliament.

Sir Geoffrey Howe will reply to a debate on economic policy and taxation. The need to ensure the Government a second term of office if the full fruits of current policies are to be obtained is almost certain to be one of his main themes.

Mr Norman Tebbit, the Employment Secretary, will make unemployment the subject of his conference speech. One of his lieutenants, Mr Michael Alison, Minister of State for Employment, will answer e debate on industrial relations. This is seen as an indication that any further news of legislation to make the trade unions more accountable to their members will come in the Prime Minister's speech at the end of the conference.

N Ireland incentives 'need boost'

By Our Belfast Correspondent

A COMMONS Committee yesterday urged the Government to increase inducements for investing in Northern Ireland so that they were on a par with those in the Irish Republic.

The report of the Industry and Trade Committee describing the region's 21 per cent unemployment rate as appalling, said the range of incentives to encourage new industry had not altered radically in recent years.

It noted that although incentives were higher than in other UK regions they had not been sufficient to attract enough investment to provide jobs.

The Committee was pleased to learn that e review of incentives was under way but concluded that the Government should consider how to bring financial and other inducements to the levels on offer in the Republic.

The province's economy had been cruelly hit by its reliance on oil-based energy, the apparently shrewd move into artificial fibres in the 1960s and the huge investment in facilities at Harland and Wolff's shipyard to build ships which were no longer wanted.

The Government should respond to the "widely-held and justifiable" view that more spending on housing would give a much-needed boost to the economy.

Government Support for Trade and Industry in Northern Ireland, SO £6.50.

Ministry strengthens hand of defence Chief

BY BRIDGET BLOOM, DEFENCE CORRESPONDENT

MOVES to consolidate the power of the Chief of Defence Staff over the chiefs of the Army, Navy and Royal Air Force have been introduced by the Ministry of Defence.

The moves centre on a reorganisation of the central military staff in the Ministry. Their wider implications already have aroused hostility in the MoD.

And they are expected to fuel the controversy over the role of Britain's military chiefs, which resurfaced earlier this month with the public criticism of Britain's naval policy by Admiral Sir Henry Leach, Chief of Naval Staff.

Changes announced yesterday by the Ministry will strengthen the staff of the Chief of Defence Staff, a post Admiral Sir Terence Lewin will relinquish next month to General Sir Edwin Bramall.

A Deputy Chief of Defence Staff will be appointed, to head three key departments covering defence programmes (including a new "think tank," arms control and nuclear matters as well as defence equipment), defence commitments (including Nato) and command control and communications.

The critical aspect of the reorganisation is that the new central staff will be responsible only to the CDS. Under the previous system officers had dual responsibility to their single service chief and to the CDS.

The moves are designed to reduce service bias and prodnce what is described as an overall defence view.

The reorganisation is seen as a corollary to the Prime Minister's announcement in November that the CDS would become the chief military adviser to the Government.

It was officially explained in the MoD yesterday that the new system would ensure that the Secretary of State for Defence was given better, faster and more "neutral" military advice than he had under the old system. The service chiefs and the chief of defence staff previously had to seek a compromise to put to the Minister.

However, some senior officials and military men are hostile to the new system, which one described privately as "disastrous."

Opponents say that since the Government abolished the posts of Minister for each of the three services a year ago, the service chiefs have felt politically isoleted. Now, it is alleged, their views are likely to be stifled within the bureaucracy as well, leading to public outbursts such as that by Sir Henry Leach which border on the unconstitutional.

The debate over the reorganisation seems certain to continue into the autumn as key changes in senior personnel in the Ministry take effect.

All three service chiefs are retiring, as is Admiral Lewin, a prime mover in the organisational changes. Sir Frank Cooper, the Permanent Under Secretary, also retires at the end of the year—as does Mr John Nott, the Minister who is politically responsible for the changes.

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New tactics in mining pay round

The National Coal Board has held out the prospect of an increased offer to the mineworkers on condition that the union joins with the board in examining its mounting marketing and financial problems. John Lloyd reports on the opening of crucial pay talks.

THE OPENING of the miners' pay talks yesterday sees two new leaderships face each other across the bargaining table, with two new startegies.

Much emphasis has been placed on the harder line being taken by Mr Arthur Scargill, the miners' union president: as significant are the National Coal Board's proposals for the talks.

In essence, the board is pursuing a variant of the line taken by a number of managements faced with severe problems: they want to involve the unions in these problems in order to obtain joint solutions.

This tactic has been adopted in industries as widely differing as British Shipbuilders and GEC Hotpoint. In the case of the Coal Board, however, it would mark a radical departure from the optimistic assumptions of the Plan for Coal.

The mechanism for involvement is to hold out the prospect of an offer higher than *the 6-6.5 per cent on grade* rates tabled yesterday once the National Union of Mineworkers agrees—as the NCB document presented to its negotiators puts it— "to explore jointly ways and means of overcoming our problems."

The inducements the board could hold out to the NUM are limited in size by its worsening market position, but make up a reasonable negotiating package. It would include: a commitment to keep miners at the top of the earnings league; a commitment to giving generous treatment to miners taking voluntary redundancy; joint efforts to boost coal's share of the energy market; the possibility of allowing voluntary early retirement at 55, rather than 60 as at present—clearly signalled in yesterday's talks—together with an increase in the original offer.

The constant pitch being made by Mr James Cowan, the NCB *deputy chairman* who leads for the board in these talks, is that the collaborationist approach will minimise the malign effects of a falling market on the mineworkers although he has clearly said that redundancies are inevitable.

Mr Scargill, and the union's executive, will have none of this approach. They have set their face against further contraction in the industry, pointing out that some 37,000 miners have left since 1975 at a saving to the industry of £400m a year. The mineworkers' president also claimed that a further £150m is available to the board from "money not accounted for in the annual statements."

The union has shown to its own, but not the board's satisfaction, that real earnings in the industry have decreased by 45 per cent since 1975. So its 31 per cent claim is a modest one which does not restore the miners' purchasing power during the past decade and ab

More importantly for Mr Scargill and for the dominant left-wing within the miners' executive, the board's offer of collaboration in facing the problems is the ideological opposite of the posture they have adopted.

Mr Arthur Scargill

For the NUM left leadership, the NCB is, at least in part, an agent of a hostile government, used during pay bargaining to drive down the wages, and thus weaken the spirit, of the most powerful and well-organised section of the British working-class.

Thus Mr Cowan's olive branch is seen as a poisoned chalice. A senior left-winger on the executive speculated yesterday that its intention might be to split the executive, peeling off the right-wing and causing dissension in the run-up to a call for industrial action. Nowhere on the left is it seen as something to be debated on its merits.

The six to seven weeks between now and the November 1 settlement date—by which time agreement must be made, according to the NUM's mandate from conference—will be fraught.

A call for a national delegate conference, also specified by the conference resolution, is likely to be made either at today's NUM executive, or after further talks between the two sides next Thursday. If next week's talks see no agreement by the union to thrash out problems jointly, and thus no increase in the offer, a vote for a ballot on industrial action by mid-October is likely.

The result of that ballot will be critical to the board's strategy, to the immediate future health of the coal industry and to the position of Mr Scargill within his union within the Labour movement and within British politics.

Car unions may ask dockers to fight imports

By Brian Groom, Labour Staff

VAUXHALL UNIONS are preparing to seek dockers' assistance in blocking imports of the company's vehicles assembled on the Continent for sale in the UK if pay talks break down irretrievably.

Mass meetings at Vauxhall plants over the next two days are expected to reject the company's 7.25 per cent pay offer to its 15,000 manual workers, and back a campaign to stem imports.

Of the 130,323 vehicles sold in Britain under the Vauxhall and Opel banner in the first seven months of this year, 71,511 were built or assembled in the UK, while 58,812 came in from West Germany and Belgium.

The unions asked for a reduction of imports in their pay claim, but Vauxhall, which is part of General Motors, has made clear that imports form part of its plan to get into better shape.

Convenors from Vauxhall plants have visited dockers and drivers at Hartlepool and Sheerness, the two entry points, this week to sound out potential support.

Mr John MacLaughlan, convenor at Luton, said: "We were very satisfied with what they promised us. They said if we end up taking action, they will support us fully."

The unions see this as a *last* resort. They hope to return to negotiations with the company.

Unions objected to cars being imported while UK workers were on short-time, but Vauxhall points out that *its* car *plants* have *now* returned to full-time.

The company has not ruled out putting on extra shifts at Luton and Ellesmere Port,

Ministers hope for staff cuts pact to end health dispute

BY IVO DAWNAY, ALAN PIKE AND DAVID GOODHART

AN AGREEMENT on reduction in staffing levels in the National Health Service could hold the key to ending the 20-week NHS pay dispute, Ministers believe.

A new initiative seeking union acceptance of manning reductions through natural wastage in return for Government flexibility on the present 6 to 7.5 per cent pay offer is understood to have been discussed by Ministers and senior civil servants at a meeting at the Department of Health and Social Security on Monday.

There remains little hope that any moves will be made before the NHS "Day of Action" called by the health service TUC unions for Wednesday. The Government is determined not to appear to make concessions because of union pressure.

If an attempt is made to discuss manning, the issue will have to be handled gently. For while the Government is anxious to point out the growth in staffing in clerical and other non-medical areas, it cannot afford to underline the real rises in nursing staff.

Since the pay campaign began Mr Norman Fowler, the Social Services Secretary, has been at pains to highlight the 41,200 rise in nursing staff since 1979 as evidence of the Conservative Party's commitment to the NHS.

The CBI council urged the Government yesterday to stand firm in the dispute for fear of repercussions among other groups of workers.

Sir Campbell Fraser, CBI president, said after the council meeting that "without decrying the understandable feelings" of many who supported the health workers, there was another side to the story.

Many workers had received no pay rise at all this year or for longer periods, and many had no jobs. The Government was right to make a stand over pay in the public sector, where too many people had been immunised from some of the harsher economic realities.

A meeting of CBI regional chairmen before yesterday's council meeting produced no clear overall picture of the likely industrial effect of Wednesday's Day of Action. The CBI expects wide variations in support between industries and companies.

The meeting gave no directive to employers about use of the law against employees taking "secondary action."

The wisdom of taking legal action is something which the CBI Council believes must be weighed by individual companies. There appears little enthusiasm among senior industrialists for widespread resort to the law.

The National Union of Railwaymen's executive has decided not to call out its members in support of health service workers on Wednesday. It is believed that the decision to keep the trains running without even a token one-hour stoppage has been endorsed by the train drivers' union, Aslef.

The executive of the National Union of Seamen directed its 34,000 members worldwide yesterday to stop work for at least two hours, but a union spokesman said branches at some ferry ports would stop for 24 hours.

The National Union of Journalists strongly urged its members yesterday to take industrial action for one hour on September 21 or 22, contribute a day's pay to the funds of the health service unions, and hold mandatory chapel meetings.

Tanker drivers' pay plea fails

BY BRIAN GROOM, LABOUR STAFF

OIL COMPANIES have rejected a call by the Transport and General Workers' Union for tanker drivers' pay to be dealt with in a unified negotiation this autumn.

A national conference of TGWU oil trades delegates will discuss the rejection, probably on September 30. It may consider ways of putting pressure on the companies to change their mind.

The drivers and manual distribution workers want to put forward a claim for a basic top rate of £130 a week compared with the present £113.50. They also want to discuss job security and cuts in the 40-hour week.

Mr Jack Ashwell, TGWU national secretary for commercial road transport, said he had received rejections from the four biggest companies—BP, Shell, Esso and Texaco—and from the so-called "mini-majors."

At the moment the companies negotiate individually on tanker *drivers' pay but have a common* November settlement date except for Mobil, which settles in May. The TGWU plan would have excluded Mobil.

The union's move arises from frustration over last year's negotiations when acceptance of an 8.1 per cent offer by BP workers undermined shop stewards' hopes of united action across the industry.

Mr Ashwell has written to the companies making out a case for national bargaining, pointing out that the present negotiations are hardly independent. Companies consult and when one offer is made it becomes the norm, he said.

Shop stewards seem to feel they could prevent a break in the union ranks more easily in a combined negotiation. The companies, appear to see it as in their interest to keep things as they are.

Company replies have tended to emphasise the need to concentrate on their individual trading positions and to develop an understanding with their own workforces which would not be possible in a central negotiation.

Esso says that centralised talks would be inappropriate in its case. It is trying to reach a revolutionary productivity-cum-pay deal which would subsume this year's pay negotiations

No accord in Tube talks

BY DAVID GOODHART, LABOUR STAFF

LONDON COMMUTERS may face further industrial action on the Underground. There was no agreement on cuts in services at talks held by the London Transport union - management working party last night.

The final report of the working party repeated both the union claim that cuts were not the answer to London's transport problems and the management claim that minor service cuts were inevitable.

LT's intended introduction of reduced services on September 27 may now be met with further industrial action

The working party was set up after a strike in June against service cuts which LT said were necessary because of the Law Lords decision to outlaw the GLC cheap fares policy

Mr Bert Lyons, general secretary of the Transport Salaried Staffs Association, said last night: "There is a big gap between the two sides. We are still emphasising the stupidity of Government policies and the need for proper subsidies for LT."

LT *say* the cuts would make little real difference. The new timetables would match services to reduced staff levels.

Freightliner depot strike may spread

FINANCIAL TIMES REPORTER

AN UNOFFICIAL strike by National Union of Railwaymen members continued to paralyse one of Southampton's two Freightliner terminals yesterday and there were fears the action could spread to other depots.

Mr Peter Evans, NUR branch secretary, said colleagues at other big depots had assured him that trains bound for the Millbrook, Southampton, terminal would not be handled.

"If men are sent home for not working properly at these depots the action could really escalate," he said.

The strike began on Friday after management had suspended seven lorry drivers for refusing to do general labouring work on the instruction of shop stewards.

Mr Evans said the management was trying to introduce flexible working practices and lower mannings without proper consultations. Freightliners, the British Rail subsidiary, has refused to comment on the strike.

Edwardes counts cost of BL's failure to cash in on LC10

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

SIR MICHAEL EDWARDES admitted yesterday that BL would be in a much better financial position today, and might even have been profitable—if it had first launched its medium-sized car range, codenamed LC10, rather than the Metro.

At a Press conference following the announcement of the half-year results, Sir Michael offered some thoughts about his five years with BL—and was asked about his major mistakes.

He explained that when he arrived at BL in November 1977 his new board "bit the bullet" and cancelled a plan to produce a replacement for the Mini called the ADO1. The shape was changed to the Metro.

But the board failed to "bite the other bullet" and bring *forward the medium-sized car* programme because engineering on the small one was so far advanced.

"If there was a decision that I wish we could have made another way it was that one," Sir Michael *said*.

However, he remained convinced that BL would not have survived 1980 the "Metro year," without a new product. And the LC10 programme could not have been brought forward for a launch earlier than the end of 1981.

Sir Michael was making probably his final public appearance as chairman and chief exeutive of BL. He said very precisely there had been seven occasions *when* he had *become* anxious about the company's ability to survive—the most recent was last November and December during the pay negotiations and the strike at the Longbridge plant over the 39-hour week issue.

"We never lost any sleep over decisions we made as a board. But we sometimes suffered agony waiting to see how people would react and whether they would go over the top," he said.

Sir Michael Edwardes

Not all of the major problems had been about industrial relations. Some related to obtaining government funds for BL. "The idea that either Labour or Conservative governments dish out money easily is simply not correct," he added.

Sir Michael described the past five years as "stage one of a major recovery which at the onset looked problematical."

During that period, he said, the BL board had:

- Regained management control of the business and split it into manageable product groups.
- Stuck to its product strategy —"the last thing to suffer in times of difficulty was product." There was now a clear product strategy.
- Completed most of the necessary de-manning.
- Reduced fixed costs to a much lower level throughout the business.
- Introduced new working practices in cars and at Land Rover-Leyland and reduced disputes.
- Rationalised production and "matched production to the market place."
- Modernised car and truck plants and brought on stream the Gaydon research and development centre.
- Renewed nearly all the models and the LC10 car range was on target to be introduced from the spring of 1983 onwards.
- Strengthened management disciplines, for example, by tightening up cost controls.
- Retained the dealer networks in the UK, Europe and North America.
- Involved itself in "meaningful collaboration" with Honda for cars and with Cummins, the US group, for diesel engines.
- Persuaded governments to put up equity funds for the new products, rationalisation, redundancies and modernisation.

"I'm not pretending the job is done," said Sir Michael. The Company now faced a "stage two" with a different style of management to take BL towards financial breakeven point.

As to his own future, he has part-time chairmanships of the Chloride batteries group and of Mercury, the organisation which will compete with British Telecom.

He indicated that will do for the time being. "In the next year to 18 months I'm not looking for a very full-time role. There will be no more appointments for 1983."

Building materials sales increase

BY WILLIAM COCHRANE

SALES OF building materials through merchants in July reached their highest level this year, against construction industry trends, according to figures issued yesterday by the Builders' Merchants Federation.

Its sales index for July shows an increase of 9.6 per cent over the same month of last year, with the figure for the year ending in July only 1.2 per cent down on 1980-81.

This compares with a decline of 1½ per cent in construction output for the first six months of this year shown in figures published earlier this week by the Department of the Environment.

The BMF recorded a decline of 0.2 per cent in June, and last month its director, Mr Reg Williams, said *he hoped this* would prove only a temporary setback.

He was proved right and yesterday tempered his welcome of the July figures with cautious qualification. "The July record must reflect the mini-spurt in new house construction resulting from the efforts of all builders to improve on the depressing number of starts forecast," he said.

TECHNOLOGY

EDITED BY ALAN CANE

Yamazaki launches new machining centre

Why Japanese machines mean jobs

BY MAX COMMANDER

BOB WILKINSON is clearly a patriot. He drives a Jag, thinks the Range Rover is the greatest thing since a model T, has the utmost faith in British innovation and engineering ability—and works for a Japanese company.

It sounds a contradiction but as a down to earth Midlands engineer he has a sort of wholesome philosophy which, summed up (my paraphrasing) says: By all means ban the import of T shirts from Taiwan, but never ever ban the import of technology—that means jobs.

After a career working in British industry with spells in West Germany and Hungary, Bob Wilkinson was on the point of taking premises in Cornwall to turn his hobby of repairing antique clocks into a small cottage business.

In the event he was persuaded by Yamazaki to oversee the set-up of Yamazaki Machinery UK in Worcester. Now, he enthuses over the set-up, the jobs being provided and his latest toy—the Mazatrol M-1 control system.

"Who needs space invaders when you can play with this?" he says.

He has a point. The Mazatrol linked to Yamazaki's new VQC-20/40 and 50 vertical column machining centres is an impressive control system.

It was the star turn in a new range of machines (the VQC, horizontal machining centres and the Quick Turn 20 lathe) launched simultaneously in Brussels and Chicago last week.

Bob Wilkinson

Yamazaki calls the Mazatrol the world's first innovative Production Computer System (PCS). It can, it is claimed, reduce programming and program checking time down to less than 3 per cent of that required for conventional CNC equipment.

Memory capacity is up to 5,000m of comparable NC tape which can store more than 100 kinds of work programs.

Programming really is simple (not for me because after half an hour I was still picking the wrong tool and pressing the wrong button) but as Bob Wilkinson said: "Had you been an 18-year-old school leaver with a little more dexterity and a better ability to read an engineering drawing I could have turned you into a programmer in 15 minutes."

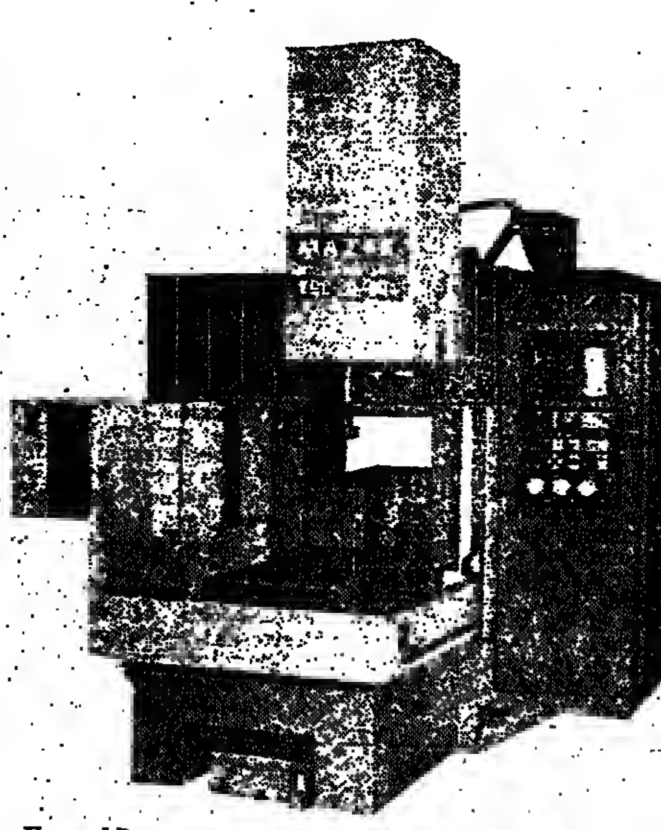
A 14-inch colour screen offers a contour display of the workpiece which can be shown in the X-Y, X-Z and Y-Z plane and also as a 3D perspective view which can be tilted every five degrees.

If the display is too small to check for grooving or chamfering each portion can be magnified and any programming error discovered. Simultaneously, the workpiece cycle time can also be displayed.

The Mazatrol has a background programming function so that a second workpiece can be programmed while the centre is matching the first piece.

So, what of the VQC? The double column construction ensures no table overhang in the X and Y axis, while the distance between the Z axis slideway and spindle centre has been reduced to less than half of that required on a conventional machining centre.

Yamazaki also says that the VQC can be equipped with a 2-10 pallet changer, work loading robot, automatic sensoring, tool life monitor, tool breakage detector, spare tool changeover and adaptive feedrate control—all to ensure long hours of unmanned machining.



Yamazaki's new VQC vertical-column machining centre, with the Mazatrol control unit on the right and built in as an integral part of the machine.

Some of the features include heavy duty cutting with the maximum torque of 38 kg m; the VQC 20/40 — 7.5 hp and an rpm range of 4,000, 6,000 and 10,000.

For large workpieces of 635 mm on the X axis, 508 mm on the Y and 460 mm on the Z and X axis a stroke of 1,016 mm is available.

On the 50 model the tool magazine can store up to 15 13 kg heavy tools with an option of 24 while the 40 model can store up to 24 tools with an option of 30.

The VQC should be available in the UK in December, but more details, brochures, etc, as follows: for vertical machining — Yamazaki Machinery UK, Buckholt Drive, Warndon Industrial Estate, Warndon, Worcester (0905 57024 or telex 338889). For the horizontal range, Elgar Machine Tool, Bec House Victoria Road, London NW10 (01-965 8911).

Comparison of productivity between Mazatrol M-1 and conventional CNC systems

Samples	Block material carbon steel		Cam material chrome molybdenum steel		Casing material aluminium cast	
	CNC	M-1	CNC	M-1	CNC	M-1
Programming time	60 min.	6 min.	3 hrs. 30 min.	10 min.	2 hrs. 30 min.	20 min.
Program checking time	25 min.	4 min.	50 min.	6 min.	1 hr. 40 min.	9 min.
Tool changing time	30 min.	10 min.	10 min.	5 min.	32 min.	10 min.
Tool length measuring time	60 min.	2 min.	20 min.	1 min.	1 hr. 5 min.	2 min.
Total preparatory time	2 hrs. 55 min.	22 min.	4 hrs. 50 min	22 min.	5 hrs. 47 min.	41 min.

Small systems

Businessmen shun DIY processing

BY ALAN CANE

THE IDEA that businessmen can be persuaded to carry out their own computing is a non-starter, according to a new study of the markets for business microcomputers.

A survey of more than 1,200 businessmen indicated overwhelmingly that most wanted turnkey systems—complete operational computers ready programmed with all the instructions necessary to make them work: "Businessmen, as distinct from home hobbyists, educationalists and the like must concentrate on running a successful operation; relatively few wish to risk the serious consequences of pouring scores of precious hours down the bottomless black hole of do-it-yourself computing," it warns.

The study indicates the major market for small, microprocessor based computing systems lines, in the UK at any rate, in small businesses with between one and nine full-time staff.

Some 20 types of small business, including newsagents, grocers, hardware stores, estate agents, insurance brokers and architects could absorb up to 18,150 systems during 1982 to 1984.

Betting shops, furniture stores and the like could absorb a further 2,000 or so in the same period, giving a total market value of £126m in 1982, £169m in 1983 and £230m in 1984.

The survey and report was carried out by a comparatively new consultancy, Romtec, many of whose staff have long experience in the computing market analysis game.

It urges companies developing microcomputer business systems to adopt a "Ford Model T" approach "systems developed to meet the needs of one customer are highly unlikely to be saleable to large numbers of similar companies.

In pursuit of the "Model T" approach, it is essential that targeted markets are researched on a broad base first. In this way a specification can be established which has inherent volume potential.

Only nine per cent of small businesses currently have a microcomputer installed; the study shows; of the top marketing areas, significant marketing effort is being made in the hotel trade, dentistry, insurance, insurance broking and travel.

The study clearly distinguishes between domestic computers of the Sinclair, Atari or Acorn variety and general purpose business machines costing an average of £4,500 for hardware and software.

What is a small businessman looking for in a microcomputer system?

It should be faster management information, improved accuracy, comprehensive business information and improved customer service, according to the survey.

Romtec notes: "From a selling point of view, a disadvantage of this order of importance is that the top three benefits are difficult to quantify."

The survey is directed towards manufacturers of small business systems rather than users although it includes detailed descriptions of the machines available on the UK market.

It warns against the danger of "one-off" specials to fulfil particular customer specifications—"even when these have been demonstrated to work, the 'charter' customers are likely to find good reason for not going ahead with purchase.

"The main market meanwhile has got tired of waiting and is disappointed with the performance of the over specified system."

Romtec is on 075-35 51550; the report *Volume Market Opportunities for Business Microcomputers* costs £595.

Data

Omnimode from Racal-Milgo

RACAL-MILGO, which claims to have about a quarter of the world market for modems, the basic sending receiving devices for data communication over phone lines, has launched a new "clever" machine called Omnimode 48.

Two basic considerations behind the new design were a call from the market for greater ease of setting up in network environments and generally less complexity of the controls on the front panel—particularly since a wide variety of people may nowadays have to deal with these devices.

Designed at the company's facility in Miami, the modem uses a custom-designed set of three large scale integrated (LSI) circuits. The basic single port modem is housed on one board of electronics, increasing to two for multi-port applications and three if the network management facility is needed.

An interesting and convenient feature of Ominmode 48 is a way in which it is set up for speed, receive level, signal quality, ports selected and several other aspects.

Generated

Instead of the soldered connections or dual in-line switches normally employed, Omnimode uses "soft strapping:" the problem is dealt with by software and instructions are generated by pressing a few keys. Then, all the settings come up on a display on the front panel so that the user can see at a glance the state of the modem.

The unit can also be supplied with remote control facilities. In this way another Omnimode, perhaps thousands of miles away, can be remotely set up and controlled. The front panel of the master modem provides a "window" into the status of the remote unit and through a sequence of keying operations can send down the line all the software instructions to set up the remote device.

GEOFFREY CHARLISH

Laser scanning

A talking checkout

BY ELAINE WILLIAMS

BRITAIN is poised for the wide-scale introduction of laser scanning in supermarket checkouts and National Semiconductor is hoping that it will win a major slice of that market.

It has introduced its sophisticated laser scanning systems onto the UK market to cash in on the embryo business. In these systems lasers read the bar codes—characteristic strips now common on most grocery items. A computer converts the stripes into the 13 digit code which identifies each product.

National has even produced a talking checkout which gives the price of the item as it is scanned. Apparently it is obligatory to shout out the price of each items in some U.S. states but the talking till has become popular elsewhere.

National's scanning system is intended for large supermarkets which typically have up to 40 check out lanes. Two computers form the heart of the system to which the lasers scanning tills are connected.

As well as keeping the up to date price list of each time as the barcode is read by the laser, it can carry out all the accounting and stocktaking. In addition, some supermarkets have used National's computers to control store heating.

In Europe, National has teamed up with Hugin, the Swedish point of sale equipment maker which specialises in the smaller systems. Together they can offer customers the complete range of products in retail automation.

National Semiconductor, better known for its silicon chip making in the UK, is already a leading supplier of sophisticated laser scanning systems in the U.S. It is among the top three manufacturers in the U.S. together with NCR and IBM.

About 5,000 scanning systems have already been installed in the U.S. and Canada but only a handful have been installed on a trial basis in the UK. However, Mr Paul Rasmussen, National Semiconductor's director for international development believes that the potential market in Europe for the large scanning systems is at least 20,000 units.

Vehicles

Reversing aid

A sonar system—a development by a Lancashire company of the automatic range finder used by Polaroid for its instant cameras—has been designed as an aid for drivers reversing heavy or long vehicles.

The sonar beam senders, about the size of a 10p coin can be fitted each side of the vehicle with signals converted to a digital display inside the driver's cab. Known as Tailmate, the device comes from Gregson Holdings, 382 Blackpool Road, Preston (0772 727927).

Publications

Foundry abstracts

A LEAFLET detailing coverage of BCIRA Abstracts of International Foundry Literature and subscription details for next year's volume is now available from BCIRA at Alvechurch near Birmingham. Requests on 0527 66414.

Rubbaglas of Consort Road, London (01-732 0262) has produced a new catalogue illustrating and describing applications for its range of vapour saving seals for storage tanks.

Literature describing the recently launched range of Ultraseal reduced bore ball valves from Hindle Cockburns is now available from the company at Victoria Road, Leeds (0532 443741).

Carbon fibre

Agreement signed

ONE OF the UK's leading exponents of carbon fibre technology, R. K. Textiles, and Bridon, the wire, rope and engineering group, has signed an agreement to co-operate in high performance composite materials and the application of carbon fibre and related material.

A new subsidiary has been formed called Bridon Composites which will explore long-term developments and will start operations early next year. R. K. Textiles will supply technology and assistance.

The move is in line with Bridon's known desire to move into higher growth products based on higher technology.

The Highlands and Islands Development Board is building a £3m plant for RK Carbon Fibres which will be Europe's single-biggest carbon fibre production centre when it comes on stream early in the New Year. Initial production rate will be 100 tonnes per annum.

The European carbon fibre industry is fragmented, claims Bridon, so that this will be the first time in the UK that such a grouping has been established to offer design, development and materials engineering ability. But there are already such companies in the U.S. and Japan.

Instruments

Essex multiplexer

A DEVICE which converts a general purpose single or dual channel oscilloscope into an eight channel one has been developed by GSC, Saffron Walden, Essex.

The model 8001 multiplexer allows eight channels of data to be directly compared with each other. The instrument will accept input signals of ±5V with an input impedance of 1 MOhm. More information on 0799 21682.

Encoders

Portescap model

TYPE C is a new model in the range of Portescap integrated optical encoders. The model uses an LED as an infra-red light source which is reflected by a graduated disc fitted onto the ironless rotor of the motor. The phototransistor senses the light and creates an output signal of sinusoidal shape between 0.2 and two volts. More from the company at Reading (0734 861485).

Additives

Engine heating

IF THE temperature drops low enough, the gelling of diesel fuel in lines, filters and injectors can render a vehicle immobile and was a serious problem during last winter's cold spells.

Heating systems can of course be applied to vulnerable elements, but a rather simpler answer might be an additive from Chalbar of Radlett, Herts (09276 3233).

Added in advance to bulk fuel supplies or vehicle fuel tanks at a dosage of one part in 200 the product, called Econosol Anto-D AG will maintain a free flow down to temperatures of at least 16C, below freezing, or 3F.

The problems arise from the presence of wax crystals which, if they coagulate into sufficiently large clumps, can cause blockages. The new product inhibits their growth.

BUSINESS LAW

How the EEC merger rules will work

BY CELIA HAMPTON

THE EEC's proposals for changes in company law produce widely differing degree of interest.

Few onlookers, let alone participants, have remained indifferent to the debate on worker representation on company boards. Few, on the other hand, except the experts involved in formulating the changes, have even turned an eye towards the Third Directive on mergers.

It may not have the same eye-catching properties, but it is nevertheless of some practical interest to companies and their advisers.

Already the United Kingdom is almost a year late in implementing the measure and the Department of Trade is now canvassing opinion on how to do it. It has provisionally decided* to enact the minimum change necessary to comply and to do that by Order rather than by Act of Parliament.

The reason for this relaxed attitude is that the mergers contemplated by the directive are mergers, common in French, German and Italian law, where one company is absorbed into another, or where two companies join up to form one wholly new company. In either event, the merger entails an exchange of shares on the part of the shareholders in the acquired company or merging companies. The more normal method for achieving a union of companies in Britain is by takeover where the acquired company retains its identity but as a subsidiary of the acquiring company. A separate directive on takeovers is planned.

*

The importance of the directive on mergers, however, lies in the fact that its basic principles will probably be repeated as EEC standards when it comes to dealing with cross-frontier mergers and takeovers. It applies to mergers within the UK of public companies limited by shares, or limited by guarantee but having a share capital. Its most innovative feature requires reports to be made in advance of the merger, and it also requires meetings to be held and certain interests to be legally protected.

Three documents will have to be available for inspection by shareholders before a merger takes place—the draft terms of merger, the directors' written report, and the report of an independent expert or experts. Of these, the two reports are novelties in English law.

The directors' report has to explain the draft merger terms and the legal, and economic grounds for them, in particular the share exchange ratio and any special valuation difficulties which have arisen. The directors of both acquiring and acquired companies prepare reports. The expert's report has to indicate the method used to arrive at the share exchange ratio and to state whether it was fair and reasonable in the expert's view.

These, roughly speaking, are the minimum requirements or, as the directive rather curiously puts it, what must "at least" be done. The Department of Trade favours doing no more than that least, and leaving it to the directors' and the expert's discretion to add what further information seems appropriate.

Although in practice directors already prepare such a report to satisfy the City Code, independent experts have not normally been involved in this capacity. Auditors will be recognised as independent, and actuaries will be engaged for some insurance company work, but the Department of Trade is seeking views on who else might be suitable.

The directive specifically requires the law to provide for civil liability on the part of the expert, and of the directors, towards the shareholders of the acquired company. The liability of company directors to shareholders is considered to be adequate protection, and the Department of Trade thinks that the law on negligent misstatement will cover the situation of the expert. It has in the past been suggested that a maximum figure for the expert's liability might be introduced to compensate for the extra responsibility, but this has not been taken up by the Department of Trade.

*

Both companies planning the merger will have to hold general meetings, though the acquiring company may in some circumstances be excused. English company law is considered in fact to impose stricter requirements than the directive (Companies Act 1948, ss.206-208), although a provision for at least one month's notice of the draft merger terms will have to be inserted. Likewise, the Department of Trade considers that the existing protection of employees, creditors and holders of securities other than shares is adequate.

On one of the most difficult aspects of mergers—accounting—the directive is silent. The problem arises in particular on the share premium account which locks up in an indistributable reserve a sum equal to the value of the premium paid on shares issued at a premium.

If an acquired company retains the identity of a subsidiary, although the amalgamation is done by a share for share exchange, the pre-acquisition profits of the acquired company go into the share premium account on the basis of "acquisition accounting." This also involves the entry of a figure for goodwill or premium on acquisition in the consolidated accounts of the companies. "Merger accounting," on the other hand, has neither of these results and pre-acquisition profits are available for distribution in the hands of the acquiring company.

This relief is laid down by statute for cases where the issuing company has secured a holding of 90 per cent in the acquired company. The Third Directive merger occurs either when two companies merge into one company, or when all the assets and liabilities of the acquired company are transferred in exchange for the issue to the shareholders of the acquired company of shares in the acquiring company, with or without a cash payment of up to 10 per cent of the nominal value of the shares.

The Department of Trade is seeking views on whether to extend the statutory relief from the share premium account to Third Directive mergers. If it decides to do so, the method of recording the values of the assets, liabilities and reserves of the acquired company in the accounts of the acquiring company will also have to be examined.

*

The Third Directive does not exactly facilitate mergers, but rather imposes some fairly onerous new requirements on them. In any event they aer not common or popular in Britain. If they are not to receive the relatively favourable accounting treatment granted to 90 per cent acquisitions, the sort of merger covered by the directive could be heading for total oblivion.

** Implementation of the Third EC Directive on. Company Law: An explanatory and consultative note, Department of Trade, 1982.*

RACING

BY DOMINIC WIGAN

JOHN DUNLOP, whose 130-strong Arundel team has so often managed to achieve "a winner a day" at Ayr's Western Meeting, fields a particularly-strong team on the Scottish course today.

He has every chance of lifting the opening Troon Stakes with River Maiden and then has live hopes in the next three races through Roll Fast, Cannon King and Harly.

Cannon King, Dunlop's representative in the day's principal middle distance race, the Ladbroke's Ayrshire Handicap, must be considered just about the most consistent six-year-old in training.

In all his seven races this season the Owen Anthony horse has made the frame and an easy victory in Epsom's Daily Mirror Handicap 45 minutes before the Derby was more than deserved.

Cannon King seems sure to go well again as, no doubt, will Irish Keep, the colt directly below him in today's handicap weights.

At Sandown in July this Connaught bay trained by Harry Wragg, whose stable has already achieved a best ever haul of over £¾m in prize money this term through only 27 winners, was not disgraced in failing to give weight to Glide Path, Wiverton and Morality Stone in Sandown's July Handicap.

Not seen out since that run, Irish Keep will strip fresher than Cannon King and this may just tilt the balance in his favour.

The twice-raced Pharly colt Harly succeeded in foiling a gamble on Hot Boy at Lingfield last time out and I can seen no reason why he should not prove capable of following up in the Jack Jarvis Memorial Trophy in spite of the presence of Darting Groom's Chester conqueror Rich Benefit.

AYR
2.00—River Maiden*
2.30—Roll Fast
3.00—Irish Keep**
3.30—Harly***
4.00—Greene Normandy

BRIGHTON
2.00—Tender Trader
3.30—Bounty Bay
4.30—In Favour

YARMOUTH
3.45—Massimo
4.15—Lord Protector

TELEVISION

BBC 1

6.40-7.55 am Open University (Ultra High Frequency only). 12.30 pm News After Noon. 1.00 Pebble Mill at One. 1.45-2.00 Mr Beon. 3.53 Regional News for England (except London). 3.55 Play School. 4.20 Roger and Co., starring ventriloquists Ward Allen and Ken Wood. 4.35 The All New Popeye Show. 4.55 Newsround. 5.05 Blue Peter. 5.35 Willo the Wisp.

5.40 News.
6.00 Regional News Magazines.
6.25 Nationwide.
7.00 Tomorrow's World: The latest news from the world of science and technology.
7.25 Top of the Pops, introduced by Simon Bates.
8.05 Wildlife on One: America's Yellowstone National Park in winter.
8.30 Sink or Swim, starring Peter Davison, Robert Glenister and Sara Corper.
9.00 News.
9.25 Claire, by Alick Rowe.
10.15 Police: Operation Carter. BBC cameras follow a regional crime squad operation to re-investigate armed robberies of the 1970s, with, the help of two supergrasses.
11.15 Barbara Mandrell and the Mandrell Sisters.
11.45-11.50 News Headlines.

Chris Dunkley: Tonight's Choice

Readers who have long wondered what our economic guru Sam Brittan actually looks like can slake their curiosity tonight by watching BBC-2's **Futures**, where he will be among those questioning Peter Shore about his vision of Britain's future. The first in this series suggested that, whatever its surface structure, it is underneath a profoundly political programme. That alone is unusual enough to make it required viewing. Many viewers, hiwever, will doubtless want to watch ITV's film **High Society**, screened as a tribute to Grace Kelly.

Futures is followed on BBC-2 by the second part of **Fred**, a series about the irrepressible ,and, I suspect, to those who know him well, insufferable) steeplejack and restorer of showman's steam engines, Fred Dibnah.

At 9.00 BBC-2 moves on to **Auschwitz And The Allies**, a long programme which, I fear, is going to suggest that the Allies moved far slower, and with much less enthusiasm than they might, to do something about the Nazi concentration camps when evidence started coming to light in the middle of the war. Annoyingly that overlaps with the start on BBC-1 of a five-part follow-up to the notorious "Police" series, called **Operation Carter**.

BBC 2

6.40-7.55 am Open University.
11.00-11.25 Play School.
5.10 pm Early Industrial Towns.
†5.40 Nyoka and the Tigermen.
6.00 Fighter Pilot.
6.30 Adventure World.
7.20 Cartoon Two.
7.25 One Hundred Great Paintings.
7.35 News Summary.
7.40 Futures.
8.30 Fred.
9.00 Auschwitz and the Allies.
10.50 Newsnight.
11.30 They Didn't All Get Away.
11.55-2.00 am Newsnight—By-election Special reports from the Gower Peninsula.

LONDON

9.30 am Barney Google and Snuffy Smith. 9.40 The Flight of the Snows. 10.05 Hands. 10.30 Not Just a Pretty Face. 11.00 A Big Country. 11.30 Paint Along with Nancy. 12.00 Gideon. 12.10 pm Get Up and Go! 12.30 The Sullivans. 1.00 News with Carol Barnes, plus FT Index. 1.20 Thames News with Robin Houston. 1.30 Crown Court. 2.00 Here Today. 2.45 Once in a Lifetime. 3.45 The Glamour Girls. 4.15 Speedy and Daffy. 4.20 Father Murphy. 5.15 Emmerdale Farm.

5.45 News.
6.00 Thames News
6.30 Thames Sport.
7.00 Looks Familiar: Denis Norden with Les Dawson, Pat Kirkwood and Eric Sykes.
7.30 "High Society," starring Grace Kelly, Bing Crosby and Frank Sinatra.
9.30 TV Eye.
10.00 News.
10.30 Living in Styal.
11.30 Superstar Profile: John Houston.
12.00 What the Papers Say.
12.20 am Close: Sit Up and Listen.

† Indicates programme in black and white

All IBA Regions as London except at the following times:—

ANGLIA

9.30 am Sesame Street. 10.30 Supasquash. 11.00 Cities. 11.00 Wattoo Wattoo. 1.20 pm Anglia News. 6.00 About Anglia. 6.25 Arena. 6.35 Crossroads. 7.00 Survival. 11.30 Lou Grant. 12.30 am People Like Us.

BORDER

9.30 am European Folk Tales. 9.45 History Around You. 10.00 The World We Live In. 10.20 Young Ramsey. 11.10 The Adventure World of Sir Edmund Hillary. 11.30 The Bubblies. 11.35 Spiderman. 1.20 pm Border News. 4.20 Sport Billy. 4.45 Father Murphy. 6.00 Lookaround Thursday. 6.35 Crossroads. 7.00 Emmerdale Farm. 11.30 Barney Miller. 12.00 Border News Summary.

CENTRAL

9.45 am Angling Today. 10.20 Bygones. 10.35 Superstar Profile. 11.00 The Nature of Things. 12.30 pm The Young Doctors. 1.20 Central News. 4.20 The New Fred and Barney Show. 4.45 Father Murphy. 6.00 Crossroads. 6.25 Central News. 7.10 Emmerdale Farm. 11.30 Central News. 11.35 Citizen '82. 12.05 am Come Close.

CHANNEL

1.20 pm Channel Lunchtime News, What's on where and weather. 5.20 Crossroads. 6.00 Channel Report. 6.20 The Battles of Flowem. 6.40 Gardens for All. 7.10 Benson. 10.28 Channel Late News. 11.30 Life in France. 11.35 The Monte Carlo Show. 12.30 am News and Weather in French.

GRAMPIAN

9.40 am First Thing. 9.45 Sesame Street. 10.45 Through the Eyes of a Child. 11.05 The Nature of Things. 11.55 Captain Nemo. 1.20 pm North News. 6.00 North Tonight. 6.30 Police News. 6.35 Crossroads. 7.00 The Electric Theatre Show. 11.30 Crann-Tara. 12.00 North Headlines.

GRANADA

9.30 am European Folk Tales. 9.40 History Around You. 9.55 The World We Live In. 10.20 Thunderbirds. 11.10 The Adventure World of Sir Edmund Hilary. 11.30 The Bubblies. 11.35 Spiderman. 1.20 pm Granada Reports. 2.00 Exchange Flags. 4.20 Vicky the Viking. 4.45 Little House on the Prairie. 6.00 This is Your Right. 6.05 Crossroads. 6.30 Granada Reports. 7.00 Emmerdale Farm. 11.30 What the Papers Say. 11.50 Video Sounds.

HTV

10.00 am Struggle Beneath the Sea. 10.25 Larry the Lamb in Toytown, followed by Magilla Gorilla. 10.45 Wild, Wild World of Animals. 11.10 Hands. 11.35 History of the Grand Prix. 1.20 pm HTV News. 4.15 Animated Classics. 5.05 Jabline. 6.15 Into the Labyrinth. 6.00 HTV News. 6.35 Crossroads. 7.00 Emmerdale Farm. 10.28 HTV News. 11.30 The Fruitts of Southampton.

HTV CYMRU/WALES—As HTV West except: 12.00-12.10 pm Straeon O Slapen. 4.15 Cartoon. 4.20 Runaround. 4.45-5.15 Gwesty Gwirion. 6.00 Newyddion. 6.05 Report Wales. 6.35-6.45 Cartoon.

SCOTTISH

10.00 am Jewellery Throughout 7,000 Years. 10.25 Crazy World of Sport. 10.50 In the Arms of the Octupus. 11.15 Story Hour. 1.20 pm Scottish News. 5.15 Crossroads. 5.40 Bodyline. 6.00 Scotland Today. 6.30 Now You See It. 1.00 Take the High Road. 11.30 Creen Tara. 12.00 Late Call.

TSW

9.30 am Sesame Street. †10.30 "A Cuckoo in the Nest," starring Tom Walls, Ralph Lynn and Yvonne Arnaud. 11.50 The Undersea Adventures of Captain Nemo. 1.20 pm TSW News Headlines. 5.15 Gus Honeybun's Magic Birthdays. 5.20 Crossroads. 6.00 Today South West. 6.40 Gardens for All. 7.00 Benson. 10.32 TSW Late News. 11.30 Fisheries News. 11.35 The Monte Carlo Show. 12.30 am Postscript.

TVS

9.35 am Untamed World. 10.00 Paint Along with Nancy. †10.30 "Trouble in Store," starring Norman Wisdom, Margaret Rutherford and Moira Lister. 11.50 Cartoon. 1.20 pm TVS News. 4.20 Little House on the Prairie. 5.15 Mr Merlin. 6.00 Coast to Coast. 6.35 Crossroads. 7.00 Emmerdale Farm. 11.30 Journey to the Unknown. 12.25 am Company.

TYNE TEES

9.20 am The Good Word. 9.25 North East News. 9.30 Birds Under Water. 9.55 Stingray. 10.20 Morning Movie: "The Legend of Valentino," starring Franco Nero and Suzanne Pleshette. 11.50 Larry the Lamb. 1.20 pm North East News and Lookaround. 4.15 Cartoon Time. 4.20 Clapperboard. 4.45 Tarzan. 6.00 North East News. 6.02 Crossroads. 6.25 Northern Life. 7.00 Emmerdale Farm. 10.30 North East News. 11.30 Barney Miller. 11.55 Resting Securely . . . in Prayer.

ULSTER

10.05 am Sesame Street. 11.05 The Flying Kiwi. 11.30 3.2.1 Contact. 1.20 pm Lunchtime. 4.13 Ulster News. 5.15 Benson. 6.00 Good Evening, Ulster. 6.25 Police Six. 6.35 Crossroads. 7.00 editions). 6.35 Crossroads. 7.00 11.30 News at Bedtime.

YORKSHIRE

9.30 am Sesame Street. †10.30 "Jet Storm," starring Richard Attenborough and Stanley Baker. 11.55 Dick Tracy. 1.20 pm Calendar News. 4.20 Falcon Island. 4.45 Father Murphy. 6.00 Calendar (Emley Moor and Belmont editions). 6.45 Crossroads. 7.10 Emmerdale Farm. 11.30 Video Sounds.

RADIO

(S) Stereo (when broadcast on VHF)

RADIO 1

5.00 am As Radio 2. 7.00 Mike Read. 9.00 Simon Bates. 11.30 Paul Burnett. 2.00 pm Steve Wright. 4.30 Peter Powell. 7.00 Walters' Weekly. 8.00 David Jensen. 10.00-12.00 John Peel (S).

RADIO 2

5.00 am Ken Bruce (S). 7.30 Terry Wogan (S). 10.00 David Frost (S). 12.00 Gloria Hunniford (S). 2.00 pm Ed Stewart (S). 4.00 David Hamilton (S). 5.45 News, Sport. 6.00 John Dunn (S). 8.00 Country Club with Wally Whyton (S). 9.00 Alan Dell with the Big Band Sound (S). 9.55 Sports Desk. 10.00 Oh Mother! starring Mollie Sugden and Patricia Brake. 10.30 Star Sound Extra. 11.00 Peter Clayton with Round Midnight (stereo from midnight). 2.00-5.00 am You and the Night and the Music (S).

RADIO 3

6.55 am Weather. 7.00 News. 7.05 Morning Concert (S). 8.00 News. 8.05 Morning Concert (continued) (S). 9.00 News. 9.05 This Week's Composer: Vaughan Williams (S). 10.00 Couperin (S). 10.30 Cello and Piano (S). 11.15 Bournemouth Symphony Orchestra (S). 1.00 pm News. 1.05 Dvorak and Schubert chamber music (S). 2.00 Lyapunov and Brahms, piano recital (S). 2.30 "The King and the Lord Marshall," the opera "Drot og Marsk," by Peter Heise (sung in Danish) (S). 4.55 News. 5.00 Mainly for Pleasure (S). 6.30 Bandstand (S). 7.00 Between the Acts, by Virginia Woolf (S), dramatised for radio by Liane Aukin, including 7.55-8.00 Interval: Charles Oberthur — music on record. 9.20 Alban Berg Quartet (S). 10.15 What Books I Please: Dannie Abse on Edwin Muir and William Carlos Williams. 10.25 Night Thoughts (S). 11.15-11.18 News.

RADIO 4

6.00 am News Briefing. 6.10 Farming Today. 6.25 Shipping Forecast. 6.30 Today. 8.43 Points of Departure. 8.57 Weather, travel. 9.00 News. 9.05 Checkpoint. 9.30 The Living World. 10.00 News. 10.02 Enterprise. 10.30 Morning Story. 10.45 Daily Service (S). 11.00 News. 11.03 My Own Right Hand Shall Do It. 11.48 Enquire Within. 12.00 News. 12.02 pm You and Yours. 12.27 Top of the Form. 12.55 Weather, travel, programme news. 1.00 The World at One. 1.40 The Archers. 1.55 Shipping Forecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.02 Afternoon Theatre. 4.00 News. 4.02 Spam Moments. 4.10 A Good Read. 4.40 Story Time. 5.00 PM: News Magazine. 5.50 Shipping Forecast. 5.55 Weather, programme news. 6.00 News and Financial Report. 6.30 Nashville. 7.00 News. 7.05 The Archers. 7.20 Concert Prelude (S). 7.30 Scottish National Orchestra, part 1: Beethoven (S). 8.25 Any Answers? 8.45 Concert, part 2: Debussy (S). 9.25 Kaleidoscope: Graham Greene in conversation; his new novel reviewed. 9.59 Weather. 10.00 The World Tonight. 11.00 A Book at Bedtime. 11.15 The Financial World Tonight. 11.30 Strictly Instrumental. 12.00 News.

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MANAGEMENT: Marketing

EDITED BY CHRISTOPHER LORENZ

How Sodastream put new pep into the soft drinks market

BY LORNE BARLING

SUCCESS has been a long time coming for Sodastream, the home-made fizzy drinks machine. First marketed nearly 80 years ago, it has for many years been mainly confined to the butler's pantry in aristocratic homes.

Now selling more than 800,000 machines a year at home and abroad, the Peterborough-based company has recently been re-assessing the reasons why the product, which many retailers were reluctant to stock until a few years ago, has taken off.

Marketing has evidently played a key role in what Sodastream admits to be an unusual product, since it is not a retail drink, nor a domestic appliance, although it was sold as one under an agreement with Kenwood which ended in 1979.

The company's marketing director, Harry Hemens, points out that handling the machines was regarded by most retailers as potentially awkward, since this involved the device itself, cylinders which had to be refilled with carbon dioxide, and concentrates for making drinks.

The original machine was developed by Gilbeys, the distilling group, and, after a number of changes of ownership and a somewhat doubtful version (known as the trench mortar, because of the tendency of the cylinder to fly out), the company name and rights were sold by the Reckitt and Colman foods group in 1973 for a nominal £1.

The purchasers were a group of shareholder directors, backed by Scottish American Trust and Anglia Television, who set about redesigning the product and taking it to the mass market, despite evidence of middle-class preference for branded fizzy drinks.

While there was clearly some benefit from the agreement with Kenwood, because of its reputation in domestic appliances, it became clear to Sodastream that the product needed to be presented as a single package, including servicing arrangements, by a single company.

The break with Kenwood proved acrimonious. Sodastream served an injunction on Kenwood preventing it from marketing its own drinks machine for a year. For the following year until October 1980, the machine had to be known as the Thorne Cascade, before reverting to the name Kenwood.

However, with that behind it, Sodastream invested heavily in a promotional campaign to broaden its attraction and stress the fun aspect and the child appeal of its soft-drink range.

This encouraged supermarkets and multiples, such as Boots, to carry the product and after a short period sales began to rise steadily, according to Hemens. "We discovered that women were keen on buying machines to avoid carrying heavy drinks bottles home, while it was men who enjoyed using them," he said. The lower cost of drinks was also important.

Sodastream now claims to have 6 per cent of the take-home fizzy drinks market, which means it provides around 60m of the 1bn litres of such drinks consumed in the UK each year. Hemens believes he can raise this to 10 or even 15 per cent, a level which would concern the major bottled drinks companies.

He advocates a "join them if you can't beat them" policy on behalf of the majors, pointing out that concentrates from soft drinks companies such as Vimto and Tizer, are marketed by Sodastream with considerable success.

Sodastream buys the essence from these companies and pays a royalty on an average selling price to the trade, but Hemens is aware that this concept is near heresy to companies which pride themselves on the consistent and distinctive taste of their bottled products.

"We feel we ought to be the vehicle for these companies to get into the home-made drinks market. We want to encourage people to experiment with their drinks, adding as much fizz or concentrate as they like," he says.

Harry Hemens with one of the first models of his drinks machine and the most recent: "Company policy is to build an international name for Sodastream"

Despite a high volume of advertising, research has shown that 80 per cent of Sodastream sales are through personal recommendation, and that 93 per cent of owners are very satisfied with the product.

Sodastream's total sales are expected to reach over £20m this year—having hit £15.5m in 1981—and profits of around £2.9m pre-tax are being looked for.

But this success, which has seen sales of machines increase from 20,000 a year in 1974, to 800,000 a year now, has also led to reflection on where the company is going. "The question is, do the machines serve the concentrates, or is it now the other way round?" Hemens asks.

Liability

Sales of concentrates, of which there are now 25 different flavours, have risen from 120,000 litres a year in 1974 to 6m litres a year now. Profits come in three roughly equal parts, from machine sales, gas refills and concentrates, but the balance is now swinging strongly towards concentrates. Hemens estimates that concentrates will soon contribute around 45 per cen tof turnover, and machines only 25 per cent. But this depends on Sodastream's ability to maintain its strong position in the concentrates market, which grows with the sale of each machine.

It is hoped that profits from refilling cylinders will remain at their present level. Legal action has had to be taken to prevent another company from refilling Sodastream cylinders. Aside from the commercial loss involved, there is also a liability aspect in relation to safety.

The volume of gas business, which has been growing at around 30 to 35 per cent a year, is the only real indicator of the frequency of machine use in households, and on that basis the pattern is encouraging. Research has shown that around 9 per cent of homea now have machines of this type, and Sodastream claims to have around 90 per cent of current UK sales.

However, the growth prospects for machine sales beyond 15 per cent of UK homes are regarded as less favourable, and the company is looking to the export market to make up for this. Sales abroad already account for 35 per cent of turnover, and the company won a Queen's Award in 1982; the potential is tremendous, Hemens believes.

Exports are strongest in South Africa, Israel and Scandinavia, but the rest of Europe and the U.S. are seen as offering the greatest opportunity. Concentrate sales and refills abroad are carried out on a royalty basis, with contributions from these going straight to the bottom line, an important aspect for longer-term profitability.

The company has recently set up a special export division, basing its strategy on UK experience, which has shown that getting into the first 1 or 2 per cent of homes is difficult, but sales thereafter become progressively easier.

"The company policy now is to build an international name for Sodastream. Previously, we tried the shotgun approach to exports, but we are now being far more selective, in view of what we know," says David Pinney, the exports director.

He admits that early attempts to get into the Dutch and German markets failed, and it is recognised that France will prove difficult, in view of established habits there. But the company is confident that the product will sell well, if marketed in the right way. For example, door-to-door selling has been adopted in the U.S., with what are claimed to be good results, and provides instant response for research purposes.

Sodastream's approach to marketing—moving in quickly when the potential of a market becomes evident, as was the successful introduction of low calorie drinks—appears to have played a major part in its 25 per cent annual growth in turnover since 1975.

It is now hoped that this can be maintained through applying similar marketing flexibility in export markets, maintaining a strong hold on the UK concentrates market, while at the same time pressing home all the advantages of market leadership in UK drinks machine sales.

ADVERTISING

British Airways on the move

Bill Barry—trying to put a brave face on the situation Trevor Humphries

BRITISH AIRWAYS' decision to "fly its flag" on Saatchi and Saatchi's masthead after 36 years with Foote, Cone and Belding shows that even blue-chip clients can no longer be relied on to "take more care of you."

FCB learnt late on Monday night, in a terse personal letter from Sir John King, BA's chairman, that it had lost the £17.5m account for handling British Airways advertising in the UK and some 80 other countries around the world. It was a blow that, although much speculated on in recent weeks, left something of a bitter taste at FCB when the *coup de grace* was finally delivered.

At a stroke, FCB had lost some 15 per cent of its annual UK billings—a loss which, unless speedily rectified, could push FCB out of the top ten agency rankings this year.

At the same time, Maurice Saatchi could scarcely hide his jubilation that Saatchi and Saatchi had secured the biggest-ever account switch in the history of UK advertising.

Over at FCB, Bill Barry, the agency's chief executive, was trying to put a brave face on the situation and promising new account gains next week to revive morale. With some 630 staff world-wide—and 80 in the UK alone—working on the BA account, the ripples of alarm were already spreading throughout the agency. Barry hopes that few if any jobs will have to be lost as a result of the "tight ship" already run by FCB and the promised new accounts.

But the main concern at FCB in the immediate aftermath of losing the account was the simple question: where did we go wrong?

FCB, a U.S.-owned agency although the London operation is independently run, first won the account for British Overseas Airways Corporation in 1946. By 1949, the agency had already developed the copy line —"BOAC takes good care of you"—which was to survive for over three decades more.

In 1973, when BOAC was merged with BEA to form British Airways, FCB won the account against competition from 10 other agencies. It also sparked off the second classic campaign slogan, "Fly the Flag," and projected stewardess Roz Hanby in television commercials and on poster hoardings through the country, as the friendly face the state-owned air carrier wanted to project to the British public.

FCB was next put under scrutiny by BA in 1978 when it pitched for the business along with five other agencies. FCB not only retained its existing UK advertising—worth some £6m at present—but also gained BA's world-wide advertising account.

"When we won that we were left with the clear impression that we had the account for at least the next five years," recalls Barry. "That meant no formal review was due until 1984 or 1985."

However, BA's declining financial fortunes over the past few years, amid the recession and increasing fuel bills, meant that some drastic steps were called for. Sir John King was brought in by the Government early last year to inject new life into the nationalised airline. The Government has also announced its aim of hiving off the airline to private industry.

FCB was not unduly surprised when Sir John and other BA senior executives wanted to review the advertising campaigns over the past couple of months and was happy to provide an internal presentation of its current strategy.

"But in no sense was this a formal re-pitching for the account," adds Barry.

FCB maintains that by all objective standards, the BA advertising campaign has been extremely successful.

Saatchi and Saatchi, however, came to a different conclusion in its market research—a conclusion which it used to persuade BA that it could offer a radically different approach. Saatchi found that BA's image was not sufficiently strong in either the UK or overseas to make passengers prefer flying BA to any other carrier.

Most people, it found, booked airline tickets on price and convenience rather than choosing a particular carrier. BA, however, has in recent months made clear that it wants to move away from simply filling seats through cut-price tickets, and to return to what it believes are more realistic air fares.

But passengers will only willingly pay more for their air tickets if the service being offered is better than anyone else's, or so Saatchi believes. Hence the need to give BA a new corporate image. It will be some time yet, however, before the actual campaign details emerge.

David Churchill

THE HAROLD WINCOTT MEMORIAL LECTURE

Controls imposed 'with industry's consent but against its interests'

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

THE MASS of Government controls on industry have been imposed with at least the tacit agreement of the business community and are against the interest of consumers, Professor George Stigler said in the 13th Wincott Memorial lecture yesterday.

Professor Stigler of Chicago University, told his audience in London: "There is no more notorious fact than the proliferation of Governmental policies designed to control and direct economic activity."

He said some 88,000 officials were employed by 57 U.S. federal agencies "busily directing our economy." This was three times as many as a decade earlier.

But this was only the tip of the iceberg, which included the Internal Revenue Service, a panoply of state and local government regulators and thousands of experts and lawyers employed by industry itself.

Tracing the origin and motive for this proliferation of controls, Professor Stigler said consumers almost always had an interest in supporting greater economic efficiency, which by and large would mean the the absence of controls.

The control of rents, where a particular group of consumers had an interest in control, formed an exception to the rule.

Another exception was the use of controls to correct failures of the market mechanism, for example, to reduce pollution.

Apart from these exceptions, he said: "If consumers had their way, modern economies would be relatively free, productive and progressive, populated with consumers buying vast quantities at low prices, and taxing the rich the maximum amount that was allowed by their political power or a prudent regard for the golden-egg-laying geese." This was his first proposition.

Professor Stigler's second proposition was that the people with power in the economy were generally the entrepreneurs and managers. This class was so powerful in the U.S. that it was impossible to believe that political interference with the economic system could have taken place without the permission of the industries that were regulated.

He said: "The larger part of *the regulations* that businessmen are subjected to must be of their own contriving and acceptance.

"It is they who persuaded the federal and state governments to initiate controls over financial institutions, transportation systems, communication systems, extractive industries and so on without end."

He said: "What the American business community lacks is the will to eliminate most business regulation."

It would be more precise to say that most regulatory policies had been sought by producer groups, of which the business community was the most important.

However, the springs of economic activity which had been active in the 19th century did not depend on government regulation and he saw no evidence that these springs of action had begun to run dry.

"They still serve, within the differing amounts of freedom they are allowed . . . as the main sources of the wealth of nations."

From the industry's point of view, however there were two sides to the process of government regulation. On the one hand businesses had been favoured with regulations which gave at least short-term advantages to some of them, such as protection from rivals or subsidies.

But for capitalists there was a darker side of government—the process by which particular interest groups gained regulations and subsidies at the expense of the economy as a whole.

A particular example of this had been the imposition of rent controls, which benefited those tenants directly affected but injured almost everyone else and tended overall to reduce national income.

More generally there had been a tendency for particular consumer groups to gain *advantages from legislation*, for example in the energy sector and in the telephone system.

However, the disadvantages from the capitalists' point of view had so far been relatively small.

A much graver imposition came from the third set of policies: the welfare programmes of the modern state.

Professor Stigler said: "The modern state is a myopic Robin Hood: stealing from almost everyone, but giving the part that survives the substantial administrative costs to many people, including the poor."

From an economic point of view Robin Hood would be advised to interfere as little as possible with the efficiency of the *economy he exploited*, in order to have the biggest potential revenue base.

From this point of view the greatest advantage would be to put no taxes on business at all and to raise most public revenues from personal income taxation."

However, the modern state had not followed this policy because it would involve taxing the lowest incomes at rates of 40 to 50 per cent.

To finance its vast programmes for redistributing income, therefore, the state was obliged to resort to the printing presses as well as using a host of excise and corporate taxes.

The balance of advantage and disadvantage of all these Government regulations had not worked in favour of industry.

JOBS COLUMN

When Big Brother papers the public . . .

BY MICHAEL DIXON

PEOPLE were fooling about all over the tourists' section of the night train from Riga to Leningrad. I just had to join in. So hammering on the door of the sleepiog herth holding the rest of our parly, I barked out: " Your papers, pllss! "

It was not quile the universal success I had hoped, particularly with our accompanying Soviet officials. But the joke proved a good one to the other Britons at least. After all, it's laughable to imagine our lives being subject to what is written in our " papers."

Oh yeah ?

Never before have the prospects of our younger citizens heen so dependent on the award of bits of paper. The number of different braods of " British Qualifications " as listed in Kogan Page's directory, bas grown fairly modestly—by 35 per ceot to 1,375 since 1966. But professional bodies aod hig employers, not leasl the Civil Service and local authorities, have hoisted wholesale the levels of certification they demand of potential recruits.

Of late, entry to any employment whatsoever has become more and more restricted to certificated youth. And the key to attaining that happy state is the national academic examinations normally taken at the age of 16, which sigoifies the end of compulsory schooling.

Of the country's 16-year-olds, about 40 per cent are not entered for those exams in the first place and so receive no hit of paper at all. Another 25 per cent or more receive certificates which are of little or oo value oo the jobs market because they record at best substandard results. Only the remaining one third or so achieve the pass grades which open the way to so-called higher qualifications.

The proportion who go on lo pass the later school-leaving exams at 18-plus is far smaller.

Beyond that, only about one-eighth proceed to one of the various degrees or diplnmas of higher education, which are increasingly a precondition of entry to the better rewarded and regarded jobs.

Anyone who assumes that the academic paper-chase must be beneficial at leasl to the education system, would be at loggerheads with the second biggest teachers' union: the National Associatioo of Schoolmasters and Union of Womeo Teachers. It has just described what it sees as the ill effects. (Since il has done so in a sentence of prodigious and indigestible leogth even for a schoolmaster. I'll pass on the oews in pre-sliced form.)

". . . to divide the pupil population ioto polarised 'sheep' and 'goats' categories;

"to widen the gap between schoola and employers who find it difficult to interpret the resulis of examinations in terms of their own requirements;

"to distort aod impoverish the curriculum which is largely confined to examinahle suhjects;

"to transplant what is essentially a grammar school system of education with its identification of ao academic/professional elite onto a comprehensive and largely mixed ability system, with the inevitable symptoms of rejectioo;

"to demoostrate what a popil is *incapoble* of rather than what he can do;

"to stigmatise aa failures those very pupils who are already lacking in motivation and self-coofidence, with incalculable consequenees in later life;

"to create an intellectual caste system, or the two nations syndrome, which is costly and wasteful of human effort and whicb neglects the educational needs of a large majority of pupils;

"to confine complex educational processes within the simple 'pass' and 'fail' concepts of the examination grades;

"and to invest certain qualifications with a bogus value which is beginning to have less and less curreocy io today's labour market." Phew!

All of which suggests that, somewhat like Frankenstein's monster, the national fixation on bits of paper is beginning to disconcert the ednacators who gave rise to it. So what does the teachers' unioo think we should do about the problem ?

The solution ?

Issue a whole lot more bits of paper, that's what.

Instead of restricting the award of certificates—a large numher eveo of them quite valueless—to tbe 60 per cent of children taking the 16-plus exams, we should henceforth impose one on every pupil at the end of his or her compulsory schooling.

The new papers, the " in " name for which is profiles, would not only record the holder's exam attainments or the lack of them. The profile would also enshrine teachers' views on the 16-year-old's personal qualities such as punctuality, initiative and ability to relate to other people; or again, of course, the lack of them. Nor is the second higgest teachers' union the only educatiooal organisation pressing for this particular kind of comprehensive papering.

But more is still to come.

Another ambitious hody not entirely happy about the present state of affairs is the Manpower Services Commission. Any activity officially deemed education is outside its remit. The mere fact that the obsession with certificates effectively cripples many children'a life chances well before they leave school, is none of the commission's busness.

Its scope is limited to the people leaving education after reaching the age of 16 and who can neither find jobs nor continue in the academic paper chase to the 18-plus exams and beyond. The commission's major job is to make these young people employahle in some other way. So the papers issued by the separate educational bureaucracies would seem to be in competition with the MSC's interests.

Perhaps accordingly, it is planning to issue its own additional profiles tn every teeoager passing through its forthcoming Youth Training Scheme. The evident result would be that most Britons of the future would not only be saddled with a certificate at the age of 16, but also subsequently with either at least one more of the academic variety or an extra profile from the MSC.

The process could go on still further. (The Social Democrat Party apparently wants to integrate various and numerous profiles into a dossier we shall all carry through life—the last entry on which would no doubt in many cases be signed by the coroner.) But I won't.

I will only ask whether the sane solution is not simply to reduce severely the certifying that goes on already?

The national school-leaving exams originated when the universities persuaded the schools to conduct on a group basis the entrance tests the universities previously carried out individually. More recently the general taxpayers have been gulled into paying fnr the exercise, at a cost of at least £50m a year. That may be why employers bave increasingly based their preliminary selection on the same exams, even though they have little or no relevance to practical working ability.

There seems to be no good reason wby we should not just drop the natiooal examinations and return the respousihility, aod the costs, of preliminary selection to the universities and employers.

Nor cao I see any reason to believe that, if the various Big Brothers are permitted to paper the eotire public, the employers will use the results mnre wisely and to any greater benefit to the economy or society.

All we can count on is that the exercise would make more work fnr more bureaucrats to do, at a *still* higher cost to the wealth-generating sector.

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16-18 Queen's Road Central
P.O. Box 590 Hong Kong
Telephone: 5-251361
Telex: HX 74562

Vickers da Costa Ltd Tokyo Branch Office
Tokyo Tatemono Daisan
Yaesu Building 5th Floor
9-9 Hatchobori 1-chome
Chuo-ku, Tokyo 104
Telephone: 553-9211
Telex: 252-3706

Vickers da Costa Securities Inc.
61 Broadway
New York, NY 10006
Telephone: (212) 742-9600
Telex: 649484

Vickers da Costa Securities Pte Ltd
Suit 602
Singapore Rubber House
14 Collyer Quay
Singapore 0104
Telephone: 2245033
Telex: RS 20976

Vickers da Costa Ltd Philippine Representative Office
Room 219, Makati
Stock Exchange Building
Makati, Rizal
Philippines
Telephone: 89-93-61
Telex: PN 3635

Vickers da Costa Ltd
Members of The Stock Exchange, London

Vickers da Costa Hong Kong Securities Co.
Members of the Hong Kong and
Far East Stock Exchanges

Trade Finance Executive

Luxembourg **to £17,000 (U.K. equiv)**

Our client is a noted and respected European based International Bank. They offer a broad range of banking services including international finance, particularly in the areas of energy and shipping.

The Luxembourg operation, established for over 8 years as a wholly owned subsidiary, is a wholesale bank providing international banking services to affiliates in its country of origin and other corporate clients throughout Europe.

In order to extend the range of trade financing services offered, they seek an executive with in-depth relevant experience. The successful applicant will be fully responsible for developing and directing growth in this area, reporting to top management.

The working language is English. However, a good knowledge of German is necessary and French would be most useful. Candidates should be prepared to do some travel.

Those interested in developing an international career and who have the flair to take on this challenging role should contact **Nicholas Waterworth BA** on **01-242 0965** or write to him at 31 Southampton Row, London WC1B 5HY.

Michael Page Partnership
Recruitment Consultants
London Birmingham Manchester Glasgow

Sales Management

Circa £18,000 plus car

This is a significant sales management appointment in one of the U.K.'s most successful whisky companies. A high level of home sales turnover is supported by extensive promotional and advertising activity.

Responsibility is to the Managing Director for planning, motivating and co-ordinating the work of an established and effective sales team. There will also be substantial contact with major customers.

A record of success in consumer sales and management of a sales team is the key requirement. This will stem from sound training in a disciplined, fast moving consumer goods environment. Ideally this should be backed by a knowledge of the drinks trade, although a background of food, beverages or related products could be relevant.

Age: 35-40. *Location:* North Midlands.

Please write in complete confidence to Peter Craigie as advisor to the company.

Arthur Young McClelland Moores & Co., Management Consultants, 17 Abercromby Place, Edinburgh EH3 6LT.

Arthur Young McClelland Moores & Co.
A MEMBER OF AMSA IN EUROPE AND ARTHUR YOUNG INTERNATIONAL

PART-TIME RE-INSURANCE ACCOUNTS ASSISTANT REQUIRED

To maintain Re-Insurance accounts including preparation and processing of statements of Quota Share XL/Retrocession Treaties and Closings. Experience in a Re-Insurance Brokerage Company preferable. Flexible Timings. Salary negotiable. Please write:
Box A.7955, Financial Times,
10, Cannon Street, London EC4P 4BY.

Foreign Exchange Dealer

The British National Oil Corporation has responsibility for the marketing of over half the total crude oil production from the UK sector of the North Sea. Arising from this role is a substantial foreign exchange dealing activity.

The Corporation wishes to appoint a person who will assist in BNOC's foreign exchange and money market operations; prepare and monitor cash flow forecasts; maintain an overall awareness of developments in financial markets and liaise with banks and other major financial institutions.

Preference will be given to candidates aged 24 or over with an economics or accountancy background, together with at least three years' experience of foreign exchange operations.

A comprehensive salary and benefits package will be offered.

Please telephone for an application form or write with full career details (quoting ref. FE/EA/FT) to the Personnel Manager, The British National Oil Corporation, 29 Bolton Street, London W1Y 8BN. Tel: 01-408 1840 ext. 3231.

BNOC
The British National Oil Corporation

Shipping Banker

Nordic Bank is one of the City's leading international merchant banks. The current need is for an experienced individual to join a team of loan officers responsible for the Bank's shipping portfolio.

The successful candidate will be fully involved with major account relationships and with the Bank's shipping lending services offered to customers internationally.

Applicants must have extensive experience of world-wide shipping markets gained from within a bank, ship-broker or shipping company. Fluency in at least one Scandinavian language will be a distinct advantage.

Salary will relate to age and experience and will be augmented by a full range of banking benefits.

Career details should be submitted in confidence to:
TOM KOLLINSKY at NORDIC BANK PLC, 20 St. Dunstan's Hill, London EC3R 8HY

Nordic Bank PLC

Banking Personnel

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ACCOUNTANTS IN BANKING!

If you're a recently qualified CA, with relevant post-qualifying experience, or you're a confident, ambitious finalist, we have a whole range of clients seeking accountants with flair and imagination for positions ranging from the inevitable but nonetheless essential Internal Auditor, to Management and Investment Accountants.

For further details please contact
MARK STEVENS or ANNE FENWICKE

CORPORATE DEALER — Age Mid 20's — c. £15,000
If your successful customer dealing activities span at least 2 years and you feel capable of making an immediate and valuable contribution to the London team of a major European bank, our client would be interested to meet you.
Please contact MARK STEVENS for further details

LOANS ADMIN SUPERVISOR — Age 28-35 — to £12,500
Progressive U.S. bank is looking for a mature highly motivated person with a comprehensive knowledge of loans documentation to run their small but busy team setting up the entire range of facilities for new loans. The ability to supervise staff is essential.
Please contact TREVOR WILLIAMS for further details

LENDING OFFICER — Age late 20s — c. £16,000
Your recently developed expertise in marketing loan facilities to corporate clients (UK, U.S. or European clientele) could qualify you for consideration as a senior member of the expanding UK marketing team of a major European bank.
Please contact LESLEY COX for further details

41/42 London Wall, London EC2. Tel: 01-588 0781

A direct line to the executive shortlist

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Bristol 0272 277315 30 Baldwin St.
Leeds 0532 450243 Enterprise House, 12 St. Paul's St.
Manchester 061-236 8409 Faulkner House, Faulkner St.

The one who stands out

INTERNATIONAL BANKING

LENDING OFFICER c. £15,000
Major European bank offers personal responsibility and advancement potential to a young banker with soundly based credit and marketing experience. Languages a definite asset.

M'MENT. INFORMATION/PLANNING to £10,500
An ideal opening for a young ACA with experience of bank audits to play a supervisory role in the bank's control and planning function.

EUROBOND SETTLEMENTS c. £8,000
Prominent name in the Eurobond market seeks a young banker with comprehensive experience and supervisory potential.

CREDIT ADMIN. TRAINEE c. £7,000
An unusual opportunity for a recent graduate to acquire Credit Analysis training while assisting generally with the Dept. admin. (including some typing).

Please telephone Ann Costello or John Chiverton, AIB

JOHN CHIVERTON ASSOCIATES LTD.
4/5, Castle Court, London, E.C.3, 01-623 3861

ASSISTANT BURSAR

Applications are invited for the post of Assistant Bursar. The successful applicant will have a sound working knowledge of all accounting procedures to final accounts. Salary c. £10,000.

Applications with full curriculum vitae should be addressed to:

The Bursar
Sevenoaks School
Sevenoaks, Kent

Bank Recruitment Specialists

CREDIT ANALYSIS

DEPUTY CREDIT MANAGER
c. £15,000

A major international leasing house requires an additional senior Analyst (late 20s/early 30s) who should have a sound credit background in international banking or within a 'big ticket' leasing operation. Knowledge of one or more European language would be advantageous – there are excellent prospects of advancement to country credit management within the European zone.

SENIOR ANALYST
to £12,000

A responsible appointment within the credit area of an established and expanding continental bank, calling for an ambitious banker (25+) with approx. 3 years' experience of corporate, bank and country risk appraisal. Responsibilities will also include wide-ranging market research and supervision of junior Analysts.

CREDIT ANALYST
Frankfurt, W. Germany
to DM53,000

At the Frankfurt Branch of a major U.S. bank the need has arisen for an additional Credit Analyst, who should have fluency in both German and English coupled with around 2 years' relative experience. Candidates, aged in their mid 20s, may have international or clearing bank backgrounds.

CREDIT ANALYST
to £8,000

An opportunity for a capable, ambitious young graduate banker (early/mid 20s) to take responsibility for both corporate and country risk appraisal at the expanding Representative Office of a U.S. merchant bank. Approximately 2 years' previous relevant experience is required.

Please contact Chris Crow or Leslie Squires. Telephone: 01-588 6644.

Anderson, Squires, Bank Recruitment Specialists, 85 London Wall, London EC2M 7AE

Anderson, Squires

MANAGING DIRECTOR

Circa £16,000 + Profit Sharing

A Marketing/Financial orientated Managing Director is required by a large Group of Private Companies for one of their major Subsidiaries based in the Midlands.

Applicants must have a proven track record in General Management and posses the necessary leadership qualities for a job at this level. Whilst it is desirable to have either a Construction or Engineering Industry background, this is not an essential criteria.

An attractive financial package is offered including an Executive Car, Pension Scheme and BUPA Cover.

Please apply in writing giving full cv to:
Box A7965, Financial Times
10 Cannon Street, London EC4P 4BY

Merchant Banking

A well-known Merchant Bank wishes to appoint an experianced banker to assist in supervising the development and administration of its domestic and international commercial lending. The successful candidate will have a senior managerial appointment reporting to a director and will have responsibility for the supervision and expansion of the bank's lending in sterling and foreign currencies and the provision of acceptance credits.

The position involves negotiation of facilities with customers in both the corporate and the private sectors, the approval of facilities negotiated by managers, detailed analysis of loan proposals for presentation to the Credit Committee and responsibility for day to day supervision and control of staff and systems. The successful candidate will also be closely involved in formulating the bank's lending policy.

Applicants should possess broad technical expertise and be experienced in preparing all loan and security documentation and have a wide knowledge of documentary credits, acceptance credit business and other forms of trade related finance.

Ideally senior experience of banking in the City of London is required, together with strong personal connections and those high qualities necessary for considaration for a subsequent Board appointment. Preferred age 35-45.

Please write to Malcolm Kennedy, Director, Universal McCann Limited, Haddon House, 2-4 Fitzroy Street, London W1A 1AT, quoting ref 103, and naming any companies to which your application should not be forwarded.

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Start by ringing Peter Gardiner-Hill or Peter Needham on 01-486 4027 or write with CV for initial comments.

GHN Gardiner-Hill Needham Executive Counsel Ltd., 5-9 Mandeville Place, London W1M 6AE.

DEALER

A Stock Exchange dealer is required by a major City Institution to assist in their dealing room. The successful applicant will be in his/her mid 20s and have had several years' experience in dealing in the stock market.

Interested applicants should write to:—
Box No. 7103, c/o Extel Advertising,
4 Bouverie Street, London EC4
giving details of age and experience.

APPOINTMENTS WANTED

BANK-INDUSTRY EXECUTIVE

38, overseas experience, fluent English and German, dynamic, self-motivated and extrovert personality, who can communicate at all levels, proven track record of administration and up-to-date financial management with large accounts with complex needs utilising his strong commercial and marketing abilities seeks new, long-term challenge (world-wide).
Write Box A7966, Financial Times 10 Cannon Street, EC4P 4BY

هكذا من الأصل

Manager, Data Processing

Nordic Bank is one of the City's major international merchant banks with substantial plans for the continued development of its computerised banking systems.

The bank now seeks to recruit a Manager to assume responsibility for established teams involved in all aspects of data processing, word processing, and communications in London. The position will also involve the provision of advice and support to the bank's international subsidiaries and some overseas travel is envisaged.

Candidates, in the age range 28-35, will be data processing professionals with extensive experience of resource management and the development, planning and installation of hardware and software ideally gained from within a banking environment.

A competitive salary supplemented by a full range of generous benefits will reflect the importance of the position and the successful candidate will be rewarded with a challenging opportunity for career advancement.

Interested applicants should send full details of their career to TOM KOLLINSKY at NORDIC BANK PLC, 20 St Dunstan's Hill, London EC3R 8HY.

Nordic Bank PLC

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An attractive salary together with 5 weeks' holiday and a generous benefits package will be offered.

Find out more details, contact Francis Phillips now, on 01-248 4782.

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER
10, Cannon Street, London EC4P 4BY

International Banking

Our Client is a Licensed Deposit Taking Institution, based in London, with equity recently acquired by influential Arab Businessmen/Bankers and further capital increase imminent. They now seek to appoint two experienced Bankers to join the Management Team.

Manager Banking/Business Development

c£27,000

This position calls for:–

- Formal credit training in an International Bank.
- Substantial experience in developing Bank/Client business especially geared to or gained in the Middle East.
- Ability to establish and control all aspects of Risk Management.

Manager Operations

c£22,000

Essential requirements for this position are:–

- In depth knowledge of all Banking Operations (credit, trade, foreign exchange and inter bank dealing) capable of establishing a computer control accounting and information system.
- Experience in Personnel Management.
- A complete understanding of all Bank of England and regulatory returns.

Both positions report to the General Manager and are effectively "Start up" situations requiring drive and initiative and and only candidates able to demonstrate these skills should apply. The ideal candidates are probably 25/35 years of age currently holding a similar or deputy position, seeking greater challenge and recognition.

An attractive compensation package will be negotiated with the successful candidates.

To apply please forward detailed curriculum vitae in strictest confidence to M. J. R. Chapman quoting reference 6317.

Lloyd Chapman Associates
123, New Bond Street, London W1Y 0HR 01-499 7761

Expand your Sales Expertise in Euro-bond Placements

Package £20,000 Plus

Aged 24-30 years, you will already have at least 4-5 years proven experience in the selling/placement of straight Euro-dollar bonds and will currently be successfully accumulating your own list of clients.

You are probably reading this now because you seek more stimulus from sales leads and an opportunity to expand your own knowledge in the future – dealing in Japanese bonds, for example.

One of the largest and most prestigious Japanese financial corporations is keen to maintain the rapid growth of its City-based European subsidiary operation.

Your first class Merchant/Consortium Bank background could be invaluable in further developing the Company's Euro-bond marketing capabilities throughout Europe.

A negotiable package worth at least £20,000 p.a. is anticipated and overall benefits include high basic salary, bi-annual bonus, mortgage subsidy, BUPA, Pension/Life Assurance, luncheon allowance and personal loan facilities, etc.

If you are sufficiently confident you can match our demanding requirements, send comprehensive details of your career so far to me, Richard J. Sowerby, Senior Consultant at Cripps, Sears & Associates (Personnel Consultants) 88/89 High Holborn, London WC1V 6LH. Tel: 01-404 5701 (24 hours).

Cripps, Sears

GNI

GNI Ltd., a leading financial futures company, requires an expert dealer who has had experience in the London and American money markets.

Salary negotiable.

Applicants should contact:

The Managing Director,
GNI Limited,
3 Lloyds Avenue, London EC3N 3DS.
Tel: 01-481 1262

European Sales £10,000 neg.

An opportunity exists in the trading area of a prime European Bank to become involved in Eurobond Sales. Knowledge of Eurobonds essential but the successful candidate will not necessarily have been employed by a professional trading house. Fluent German would be an asset.

Please ring CHRIS WENBORN on 01-638 9205
ZARAK HAY ASSOCIATES, 6 Broad Street Place
Blomfield Street, London EC2. Tel: 01-638 9205/628 0494

GRADUATE REQUIRED by *Continental Stockbroker*

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Please reply with full CV to: Box A7967 Financial Times, 10 Cannon Street, London EC4P 4BY

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Accountancy Appointments

ACOUNTANCY APPOINTMENTS ARE CONTINUED ON FOLLOWING PAGE

Touche Ross & Co., Management Consultants seek Accountants and Business Graduates

in London and Manchester £15,000-£20,000 + car

We are an expanding consultancy practice whose clients, both in the U.K. and overseas, include small businesses, multi-national corporations, governments and other public sector organisations.

The work will include analysing clients' problems, advising them on strategic planning and organisational matters and helping them to improve their operating, management information and control systems.

In addition to UK work, our consultants have opportunities to participate in projects overseas, for which generous supplements are paid.

Applicants should have a first degree together with either an accountancy qualification or MBA. They must also have at least two years post qualification financial, management or systems experience.

Please send a comprehensive career résumé, including salary history and day-time telephone number, quoting ref. 2074, to G.J. Perkins:

Touche Ross & Co, Management Consultants
Hill House, 1 Little New Street, London EC4A 3TR. Tel: 01-353 8011
A member of the Management Consultants Association.

UK & INTERNATIONAL APPOINTMENTS

FINANCE DIRECTOR £21,000 + Bonus
A U.K. company can offer a challenging single status contract to a qualified accountant with Middle East experience. Responsible for both finance and administration you will participate in the day to day running of the company. Candidates, aged 30-45, should have previous senior management experience plus the commercial flair necessary for promoting the company's business. **SAUDI ARABIA.** JG/1026D.

FINANCIAL ANALYST £14K + Car
U.S. computer group with record growth rate seek a graduate Financial Analyst for the sales support and service division. As part of the H.O. management team, you'll be offering financial advice, budgeting, planning and performance analysis to regional management. Computer industry background and experience in customer engineering functions an advantage. Excellent prospects. **MIDDX.** SC/1020E.

KEY TREASURY ROLE c£17,000
An excellent opportunity exists for an experienced treasurer at the Head Office of this international pharmaceutical group. Working closely with the Group Treasurer, the Treasury Manager will play an important role in the financing of the group's operations and in dealing with its cash resources. There will be considerable contact with both operating companies and banks. Applicants should be qualified accountants in their early 30s possessing broad international treasury experience. **C. LONDON.** JG/1066D.

INTERNATIONALLY MATURE... From £15K Package
... individuals to join the corporate audit department of a multi-billion $ U.S. corporation. Age 30+ with a good professional accounting background and post qualification experience in a fast moving progressive business environment. Career prospects are international, thus European languages would be an asset. **BASED EUROPE.** RWP/2334A.

TAX PLUS c£14,000
A substantial U.K. group offers you the opportunity to utilise your tax experience in a challenging financial role. As Deputy Group Financial Controller you will be principally responsible for providing tax advice to minimise the Group's liability. In addition, you will monitor overseas subsidiaries and participate in group accounting. Although not necessarily a specialist the successful candidate will possess a sound tax background. **LONDON.** JG/1088A.

LEE HOUSE, LONDON WALL, EC2. 01-606 6771

ROBERT HALF
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GROUP ACCOUNTANT

£13,000 London W1

Our client, a small prestigious property company are looking for a young Chartered Accountant to take control of their entire accounting function. This role will suit someone with two years' post qualification experience in the commercial sector and who has the ability to develop the function to its fullest extent.

Please telephone Nigel Sullivan in complete confidence on 01-629 8863

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QUALIFIED COMMERCIAL ACCOUNTANT
AND COMPANY SECRETARY'S DUTIES (F.C.A.)

Required for small printing group with important potential. Branches in London/Herts/Cambs. The person will be responsible to the MD for the smooth running of all financial aspects in the group and to carry out all relevant duties that will gain the confidence of the board. Ample scope for advancement. Salary negotiable but commensurate with position. Various other benefits including pension scheme. It is hoped that the successful applicant will be able to take this position within a short period of time.

Write in first instance to Box A7983, Financial Times 10 Cannon Street, London EC4P 4BY

Financial Planning Manager

To £20,000 + car

International Group London based

Our client is a successful and rapidly expanding international group, with a requirement for a Financial Planning Manager to control a small but highly qualified department based at their headquarters in London.

Candidates should be fully qualified Accountants, probably aged 30-40, who have had a sound professional training with a major auditing practice followed by relevant commercial experience in either a senior financial or planning role with a major company. The appointment requires candidates, of either sex, possessing good leadership qualities with the ability to liaise effectively at all levels.

The position has considerable long term potential and should appeal to those candidates seeking to broaden and expand their career, and at the same time to make a significant contribution to the continued success of the group.

Terms and conditions of employment reflect the importance of the appointment.

Please write or telephone for an application form to S.W.J. Adamson, FCA, Director, Grosvenor Stewart Limited, Hamilton House, 15 Tilehouse Street, Hitchin, Hertfordshire. Telephone: (0462) 55303 (24 hour answering).

GROSVENOR STEWART
International Recruitment Consultants
London Brussels Frankfurt Johannesburg

Planning Executive

West of London £14,000 + Car

Our client is a well known major group operating in the multiple retail sector. They are an autonomous subsidiary of a £3 billion plus turnover multinational.

The company considers it essential that marketing success is backed by a strong and sophisticated planning service. Consequently, they seek to strengthen this function by the appointment of someone with relevant experience in financial modelling, EDP and planning. Ideally, he/she will be either a qualified accountant or MBA and aged 25-30.

Personal qualities should include creativity, determination and the ability to secure maximum co-operation at all management levels. The position reports to the Planning Director who will demand and expect commitment and results.

Applicants should contact Philip Cartwright A.C.M.A. quoting ref: 841 at 31, Southampton Row, London WC1B 5HY.

Michael Page Partnership
Recruitment Consultants
London Birmingham Manchester Glasgow

Accountancy Appointments

Accounting Manager

International Banking

City of London to £15,000+car

Our client is the international banking arm of a worldwide financial organisation with total assets of $17.7 billion. The Bank provides the Groop's clients with a broad range of commercial loan, deposit and foreign exchange services, and is currently undergoing some dramatic and exciting changes.

The Accounting Manager will be responsible for the day-to-day operations of the Accounting Department covering U.K. and international accounting and tax implications, and for the provision of financial information, including the development of regular financial statements.

Qualified Accountants are required, preferably Chartered, and with at least three years' experience of international banking either as a professional auditor or in a line management position. Candidates, male or female, should be energetic, mature, flexible and self-motivated.

Benefits include a company car, a staff mortgage, four weeks' annual holiday, and a pension and life assurance scheme. There are excellent prospects for advancement from this position.

Please reply to Alan Gitsham, in strict confidence, with details of age, career and salary progression, education and qualifications, and quoting reference 1099/FT on both envelope and letter.

Deloitte Haskins+Sells
Management Consultants
128 Queen Victoria Street, London EC4P 4JX

Substantial international pharmaceutical group...

U.K. FINANCIAL CONTROLLER

Home Counties — c.£30,000 p.a. plus usual benefits

Our client is a notably successful British-based international group of companies engaged in the research, development, manufacture and marketing of an extensive range of pharmaceutical and related products throughout the world. The U.K. operations account for one-third of group activities, with group turnover exceeding £550m. Significant investment in R & D will ensure continued growth.

Reporting to the Group Finance Director, the appointee's task will be to control, administer and develop the U.K. finance function to effectively serve the accounting, information and planning needs of both operational companies and group management. Achievement of results through the motivation of others, and the fostering of close relationships with senior non-financial management are keynotes to this appointment. There is emphasis on a strong contribution to profit maximisation and cost control.

Applications are invited from qualified accountants, preferably graduates, who can demonstrate a record of high achievement leading to a senior line role within a large corporate environment. Age indicator: 35 to 45. It is probable that candidates will have gained broad exposure within a multi-site manufacturing organisation. A challenging initial role is assured, with medium term prospects at group level.

Written applications containing relevant personal and career details should be forwarded, in confidence, to Anthony J. Forsyth, B.Sc. at our London address quoting reference number 3745.

410 Strand, London WC2R 0NS. Tel: 01-836 9501
26 West Nile Street, Glasgow G1 2PF. Tel: 041-226 3101
3 Coates Place, Edinburgh EH3 7AA. Tel: 031-225 7744

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Carmina Leon 01-236 8763

Finance and administration manager – international contracting

Hampshire, c£20,000+car

C&L

The construction subsidiary of an international group the company will more than double its turnover of £15 million this year and has signed a record level of new contracts.

Reporting to the MD and a key member of the management team, you will supervise the range of contract support services. In addition to maintaining sound financial control, there is a constant emphasis on monitoring contract performance and highlighting and resolving claims due.

Probably in your 30's and male or female, your qualification in accountancy or other relevant profession, together with your background in international contracting will have provided the management skills necessary to control and contribute to a rapidly expanding operation.

Resumes including a daytime telephone number to Stephen Blaney, Executive Selection Division, Ref. BO63.

Coopers &Lybrand associates

Coopers & Lybrand Associates Limited
management consultants
Shelley House Noble Street
London EC2V 7DQ

Group Finance Director

DESIGNATE

North of England £25,000 + bonus and car

Our client, a leader in the building supply industry, with a nine figure turnover and a consistent record of growth and profit, seeks a successor to the present Finance Director who retires next year.

The appointee will assume total functional responsibility for the financial activities of this major UK group, will provide a comprehensive management and financial accounting service to the Chairman and Group Board, and will assist operating management by working closely with accountants in the subsidiaries.

To fill this important post, an experienced executive is sought who has a well developed commercial sense and wide knowledge of all significant aspects of financial and cost management. The successful candidate will have been responsible for both internal and external aspects of corporate finance. Experience in a sizeable manufacturing and selling business is necessary and knowledge of the building industry would be an advantage, but is not essential. Preferred age 35-48 and with an accounting qualification.

This is a main board appointment; benefits include car, pension scheme, and relocation expenses.

Men and women are invited to write in confidence giving career details, age and current salary. Please include your telephone number and quote 4196/FT on envelope and letter.

urwick Urwick, Orr & Partners Limited
MANAGEMENT AND SELECTION CONSULTANTS
Baylis House, Stoke Poges Lane, Slough SL1 3PF **urwick**

ALLIED Corporation — Manager of Corporate Audit

European Based

Our client is Allied Corporation, a $6 billion plus turnover U.S. group whose diversified business includes chemicals, oil/gas, electrical products and information systems, fibres and scientific health products. They have a strong European presence worth $1 billion in turnover.

Following a line-management promotion, they seek a manager to Head the European Corporate Audit Function. This is a Senior Management position with responsibility for leading and motivating a small, high-powered team conducting audits, operations reviews and systems evaluation. Reporting to the U.S. Director of Corporate Audit, the position involves considerable liaison with subsidiary operating management, external auditors and other top-management.

Excellent Package

Consequently, candidates should be qualified Accountants, having a minimum of 4/5 years post qualification experience gained in the profession or industry, with the character and presence necessary to ensure the continuing success of this function as an aid to management. Fluency in English and one other European language is essential. Other desirable qualities include considerable mobility and a high ambition factor.

The Manager may choose a European base from which to operate. This may be Paris, Brussels, Frankfurt or London. The company offer an excellent salary and expenses package which will be adjusted according to location. There are first class career advancement opportunities.

Interested applicants should contact John Sheldrake on 01-405 0442 or write to him at 31 Southampton Row, London WC1B 5HY. Telex 296091.

MP
Michael Page International
Recruitment Consultants
London Birmingham Manchester Glasgow

Group Financial Controller

London — Circa £28,000

Our client is a major well established financial services group with an outstanding growth record.

The current scale of operations requires the creation of the new post of Group Financial Controller carrying responsibility for the management of the organisation's Finance function.

Accountable to a director, who has responsibilities in addition to Finance, the individual will control all financial and management accounting including taxation, both for the Group as a whole and within subsidiary companies.

Candidates, male or female, will be qualified accountants, ideally with experience in the financial sector. They must have a proven record of financial management in a large Group and of contributing to decision-making at Board level. There are excellent career development prospects.

Remuneration will include a company car, executive pension scheme, subsidised mortgage and relocation expenses, if appropriate.

Please apply initially, in complete confidence, quoting reference 1345, to David Thompson, who is advising on this appointment. List clearly any companies to whom your details should not be sent.

Odgers
MANAGEMENT CONSULTANTS
Odgers and Co Ltd, One Old Bond St, London W1X 3TD 01-499 8811

FINANCE DIRECTOR

TI Raleigh Industries Ltd is Europe's largest cycle and cycle component manufacturer with interests worldwide. Turnover is currently in excess of £130M and recent changes in key management positions within the Company have lead to the successful adoption of a more aggressive marketing strategy designed to ensure that the Company exploits to the maximum its growth potential. This is being supported by a substantial programme of capital investment.

We now wish to appoint a Finance Director who, as a full Board member, will join the new management team. Whilst being responsible for all aspects of financial management ranging from the formulation of policy to the development and maintenance of effective financial and cost control systems, it is of vital importance that the successful candidate is able to contribute fully to the general management of the business.

Candidates should be qualified accountants/MBAs, aged 35-45 with senior financial management experience within manufacturing industry and ideally in the consumer product sector. Experience of the financial control of international operations would be an advantage.

The income package will be commensurate with an appointment at this level and will reflect the potential contribution to the business expected from this appointment.

If you would like to learn more about this key appointment, please write in strictest confidence, enclosing a curriculum vitae, to: R. J. Marshall, Personnel Director, TI Raleigh Industries Ltd., Lenton Boulevard, Nottingham.

TI RALEIGH

BERMUDA

Circa $28,000 starting salary

We have recently been requested to recruit two or three Qualified Accountants to join this expanding international company in Bermuda. Applicants should be preferably single, and immediately available for interview in London.

For further details and a discussion in confidence:

Telephone CHRISTOPHER STOCK on 01-481 8111

BANKING & ACCOUNTANCY PERSONNEL SELECTION
Lloyds Avenue House, 6 Lloyds Avenue London EC3N 3ES. TELEPHONE 01-481 8111

A London Discount House is seeking a

QUALIFIED ACCOUNTANT

with experience of computers

The successful candidate will probably be between 40 and 55 and will, in due course, be solely responsible for the full accounting function of the company. This will include computer management, monthly, half-yearly and annual accounts, Bank of England returns, and liaison with the company's auditors.

Apply Michael Todhunter, Jessel, Toynbee PLC 30 Cornhill, London, EC3V 3LH

Assistant Financial Controller

Systems Development

For a small and progressive life assurance company with an impressive growth record. The company, which has a national sales network, is re-organising its accounting department to meet further anticipated expansion.

Reporting to the Financial Controller, the accountant's responsibilities will combine the management of the financial accounting function with the implementation of advanced accounting systems using the latest computer technology. The work will also include a variety of planning and accounting projects to enhance financial procedures and management control.

A qualified accountant is required with experience of the development of computerised systems, coupled with management skills and a flair for innovation. Age: late 20's.

Remuneration: around £12,000 plus mortgage assistance, car and other benefits including relocation expenses.
Location: West Sussex.

Please write in confidence to CT Garcia (ref 142F)

Thomson McLintock Associates 70 Finsbury Pavement London EC2A 1SX TML

هكذا من الأصل

Accountancy Appointments

Accountants report better results as Management Consultants

These days, annual reports can make depressing reading. But some young accountants are reporting surprising improvements in performance, profitability and prospects.

That's because they're talking about their own careers, as management consultants with Deloitte Haskins & Sells. They've become agents of change, a role sought by many accountants determined to make the most of their professional training and experience.

It isn't easy to join us. There are some tough entry requirements. You'll need a good degree, and an accounting qualification. Supported by a successful career in the private or public sector.

You must also be a rather unusual person. An imaginative but practical approach to *solving business problems is essential.* Equally, you'll need to be quick thinking, *tactful*, really persuasive both in the boardroom and on the shopfloor, and eager to learn more all the time.

Because you'll hardly be doing an ordinary job. There's no standard pattern of work for a consultant. Your assignments could last a few days, or a few months. On one, you might assess a company's viability. On another, you could introduce a new financial control system. Perhaps advise on venture capital sources. You'll probably work with consultants from other disciplines. You'll certainly work in many industries, *across the U.K. and sometimes abroad, with organisations of* various sizes and complexions.

Yes, *it is demanding.* It doesn't suit everyone. But the work atmosphere is unique, promotion comes rapidly (based on merit), and we pay our consultants well. Because they're worth it.

Call Geoff Thiel on 01-248 3913. It's a conversation that could *have some excellent results. Alternatively, write to him at the address* below, quoting reference 1097/FT on both envelope and letter.

Deloitte Haskins+Sells
Management Consultants
128 Queen Victoria Street, London EC4P 4JX

Group Financial Controller

Director Potential

Manchester

c. £18,000 + car

H&J Quick Group plc is the North West's leading dealership for Ford cars and commercial vehicles. Group sales exceed £80 million.

The job is to take overall responsibility for the accounting and management information services throughout the Group, presenting concise reports to the Board, together with implementing necessary actions. In addition, the position will act as financial adviser to the Board, in particular assisting the Chairman in planning for future growth. Success in this role could lead to a Board appointment and broader responsibilities.

Candidates must be Chartered Accountants who can demonstrate career progression gained through both technical and managerial abilities. Experience of senior positions in both operating and holding company environments is desirable. Exposure to computer-based financial reporting techniques is essential. Integrity, commitment and strength of character will fit well with Group management. Age range: 35-50.

Please reply in confidence giving concise career and personal details and quoting Ref. ER557/FT to P.J. Williamson, Executive Selection.

Arthur Young McClelland Moores & Co.,
Management Consultants,
Rolls House, 7 Rolls Buildings,
Fetter Lane, London EC4A 1NH.

Arthur Young McClelland Moores & Co.
A MEMBER OF AMSA IN EUROPE AND ARTHUR YOUNG INTERNATIONAL

Comptroller

Hampshire **c £20,000 + bonus + car**

Our client is a manufacturing and marketing subsidiary (T/O £100m), of a U.S. multinational. They are market leaders within a highly competitive sector where on-going research forms a vital element.

Reporting to the Financial Director, responsibilities include asset management, treasury functions, negotiations with external parties particularly with regard to pricing and continual liaison with U.S. executives on these and any other relevant matters.

Applicants should be qualified accountants with experience of U.S. financial reporting systems, preferably gained in a fast moving consumer goods environment. Personal qualities will include drive combined with the presence to ensure maximum credibility and co-operation both internally and externally.

Full relocation expenses are available to this attractive location where appropriate and proven success in this position could well lead to promotion within the U.K. or U.S.

Interested applicants should submit full career details quoting ref. 838 to **Nigel Hopkins F.C.A.** at 31 Southampton Row, London WC1B 5HY.

MP
Michael Page Partnership
Recruitment Consultants
London Birmingham Manchester Glasgow

Financial Controller

North West **c £14,000 + car**

Our client is a £10 million turnover manufacturing subsidiary of a major multi-national group.

They wish to appoint a qualified accountant, aged 28 to 35, of graduate intellect, whose experience to date will show a solid record of achievement utilizing computerized financial control systems, preferably within a marketing-orientated manufacturing environment.

The personal qualities of intending applicants must include a high level of presence, drive and commercial awareness indicating potential for a broader business management role.

The appointment offers a significant opportunity to contribute to the growth of a Company which is currently undergoing a major expansion programme – the Financial Controller being totally involved in all aspects of the strategic and commercial development of the business.

The remuneration package includes normal large company benefits and relocation assistance is available where appropriate.

Applicants should write to **Richard Robinson, A.C.M.A., quoting reference 5303 at Michael Page Partnership, Faulkner House, Faulkner Street, Manchester M1 4DY (Tel. 061-228-0396).**

MP
Michael Page Partnership
Recruitment Consultants
London Birmingham Manchester Glasgow

Accountancy Appointments appear Every Thursday

HOUSING & DEVELOPMENT BOARD
Republic of Singapore

The HDB is the premier statutory authority of public housing in Singapore. Its current year development entails the management of S$2253m capital budget and operational budget of S$825m. As a growth organisation, we are expanding rapidly. To match future development, we are inviting suitably qualified candidates for the following appointment:—

ACCOUNTANTS

The Job
The successful candidates will work in a challenging, interesting and meaningful environment with a high performance multi-disciplinary management team. They will be involved in financial and management accounting, budgeting and financial system studies as well as to constantly review and make recommendations to improve operational procedures including the control of collections and expenditures. These positions offer broad exposure to senior management and exceptional growing room.

Requirements
Candidates should possess Honours Degree/Professional qualification in Accountancy recognised by the Singapore Society of Accountants or its equivalent and have more than 8 years of relevant post-qualifying experience.

Remuneration
Selected candidates will be appointed in one of the following grades depending on individual merit:—

Grade	Annual Gross Salary
Principal Grade	$65,000
Senior Grade	$52,000—$57,200

(Approximately UK £1 = S$3.73)

Other Benefits include 13th month allowance or proportion thereof, Central Provident Fund contributions; 21 days annual vacation leave, housing and vehicle loan at low interest rate, subsidized medical and dental benefits, recreational facilities and accommodation for non-citizens.

Application
Those who are interested, please write in stating details of qualifications, working experience and personal particulars to:—

The Secretary
HOUSING & DEVELOPMENT BOARD,
National Development Building,
Maxwell Road, Singapore 0106,
Republic of Singapore.

Manager Financial Accounting

Central London **c£16,000**

The Company operates a fast-moving national distribution network specialising in food products. It is a household name, and is organised on a profit centre basis linked to well developed budgetary control systems. Annual turnover is estimated to be in excess of £150 millions.

This entirely new position has been created to improve the management and effectiveness of the Accounting Department of this UK subsidiary of a major international business. The manager will report to the Chief Financial Officer and act as his immediate deputy. He, or she, will assume direct responsibility for all financial reporting, consolidated accounts, taxation, treasury matters and the application of systems and methods within the financial area.

Candidates must be chartered or certified accountants with first hand experience of all aspects of financial accounting and controls, preferably related to computer based systems, who can clearly demonstrate drive, management experience and initiative. It is unlikely that anyone under the age of 30 will have sufficient experience for this position.

The salary is negotiable, according to the extent of successful practical experience. The benefits include a contributory pension scheme, free life assurance and private medical cover.

This appointment is being handled personally by the Chief Financial Officer. Please write in confidence, giving concise career and personal details, and listing separately any companies to whom your application should not be forwarded, to Melvyn Gadsdon.

LAS
LONSDALE ADVERTISING SERVICES
Hesketh House, Portman Square, London W1H 9FG

EUROPEAN TRAVEL

c.£13,000

An attractive job, working with friendly and helpful colleagues in teams of two for a U.S. multi-national with interests in nearly every European country where you will spend over half your time.

You will be a young A.C.A. or equivalent in the probable age range 23-30, confident and articulate.

Reasonable computer experience and/or a good to fluent second European language would be a distinct advantage. Career prospects are excellent.

In the first instance, please telephone (and send your C.V.) to:

George D. Maxwell,
Chief Executive,
European Accountancy Appointments Limited,
95 Charlbert Court,
Eamont Street,
London, NW8 9DA.

Assistant Company Secretary

circa £15,000

Ultramar is a publicly quoted British oil company which has exploration, production, refining, shipping and marketing interests in various parts of the world. Growth has created the need for this new position of Assistant Company Secretary in the Secretariat at its head office in the City of London. The Secretariat comprises a small team which services the parent company and the UK subsidiaries as well as co-ordinating with overseas operating subsidiaries.

Applications are invited from Chartered Secretaries or qualified accountants who have a sound knowledge of secretarial practice and procedure, Stock Exchange regulations and shareholder relations. Experience of work associated with publicly quoted companies would be an advantage.

A salary in the region of £15,000 is envisaged together with an excellent fringe benefits package.

Please write with brief career and personal details to The Secretary, Ultramar PLC, Morgan House, 1 Angel Court, London EC2R 7AU.

Ultramar
An International Oil Company

PERSONAL TAX AND TRUST MANAGER

Sussex solicitors require accountant specialising in personal tax and trust work to join department providing tax and trust administration and investment services. Attractive terms of employment and working conditions. *Commencing* salary dependent upon experience and ability but expected to be in the range £10,000-£15,000 pa plus car.

Applications with cv to:
Box A7959, Financial Times
10 Cannon Street, EC4P 4BY

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We are the firm that provides the most experienced nationwide executive job search, career counselling and video coaching services. (75% of our clients take up higher salaried jobs.)

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Percy COUTTS & CO. LTD

25 Whitehall,
London SW1A 2BT.

Enquire also how these redeployment services can be included in your severance terms.

INTERNAL AUDIT MANAGER

Wolverhampton

The Quarry Products Division of the Tarmac Group is an established market leader in the U.K. aggregates industry, with an annual turnover of £400m+ and 7,500 employees. We are engaged in the extraction and processing of aggregates and market a range of dry and coated products through our surfacing and ready mixed concrete operations. In the U.K. the Division is organised into six operating companies, covering Scotland, England and Wales.

The Internal Audit Manager will be responsible to the Chief Accountant for the provision of effective internal audit services to six operational companies in the U.K.

Applicants are likely to be qualified accountants, but the overriding requirement is for relevant skills and experience in auditing. Additionally applicants should have the ability to organise and utilise a central internal audit team to greatest effect. The job will be attractive to people wishing either to develop a long term career in Internal Audit, or qualified Accountants seeking to move from the profession into industry.

Salary is negotiable around £12,500 and a company car is provided, together with the normal large company benefits.

For an application form, write to or telephone:

R.D. Symons,
Tarmac Roadstone Holdings Ltd.,
Roadstone House, P.O. Box 44, 50 Waterloo Road,
Wolverhampton WV1 4RU.
Tel: Wolverhampton (0902) 22411, extn. 358.

Tarmac ROADSTONE

International Appointments

FINANCIAL CONTROLLER

ROTTERDAM **NEG. c£30,000 + CAR**

A dynamic property development and investment group, with predominantly British management and shareholders, wishes to strengthen its senior management team by recruiting a Financial Controller with directorship potential. The group, which operates in the Netherlands, Germany, Belgium and France, has assets valued at approximately £70m.

The Financial Controller will report to the Group Finance Director and control a department which includes a qualified Chief Accountant. Responsibilities will embrace monitoring property developments and dealing with such areas as cash management, business planning and project viability studies.

Applicants should be U.K. Chartered Accountants, preferably in the 28-38 age range, with several years' experience in a major U.K. professional firm. The ability to speak either French or German would be an advantage and a willingness to travel extensively around Europe is essential.

An attractive remuneration package will be negotiated and assistance will be given with re-location.

Please send a comprehensive career résumé, including salary history and day-time telephone number, quoting ref: 2073 to G. J. Perkins.

Touche Ross & Co, Management Consultants
Hill House, 1 Little New Street, London EC4A 3TR. Tel: 01-353 8011.
A member of the Management Consultants Association

ERI

Specialists in recruitment for the Middle East

Financial Controller

Gulf States **c £24,000 tax free**

This is a challenging appointment with a well-established construction company situated in a safe and very popular part of the Gulf.

The Controller will report directly to the General Manager (British) and be responsible for the overall finance function, including EDP, internal audit, purchasing and personnel services. He will control a multinational staff and liaise closely with other British expatriates at managerial and supervisory level.

Candidates, probably aged 35-45, should be qualified accountants with a sound career record in the construction/contracting industry, preferably overseas, and where the Controller function is strong.

Excellent housing, car, educational assistance and other expatriate terms. Interviews in UK during September/October.

Please write quoting reference 6/FT/FC/B with full personal and career details and current salary to Michael Berger, FCA, Managing Director, Executive Resources International, Management Consultants, 87 Jermyn Street, London SW1Y 6JD.

Financial Controller

Sultanate of Oman

Our Client, a soundly based Omani Company in Muscat, manufactures bricks and has subsidiary interests in lime and aggregates. Selected top management appointments are being filled by British nationals.

The successful candidate will be responsible for advising the Board on all financial matters apertaining to the use of the Company's assets and for implementing policy decisions.

Responsibilities will include:

- control of investment and liquidity for the manufacturing company, subsidiary and associated companies;
- financial appraisals and investments in other enterprises as a development of the Company's interests;
- liaison with bankers, financial institutions, accountants.

Applicants aged 35/55 years will be able to demonstrate entrepreneurial flair and financial acumen in their carers, with a proven record of achieving results.

Experience in Middle East trade, knowledge of the construction industry and Arabic language would be advantageous but are not essential. Education to University or similar standard with professional qualification relevant to the management of finance is desirable. The appointed person will be a good mixer in financial and business circles.

For further information and an application form, applicants should telephone quoting reference 521 to Mr. A. C. Williams.

Brian Woodhead & Co Ltd
The Coach House, 95a Hagley Road, Edgbaston, Birmingham B16 8LG. Telephone: 021-455 9292 (3 lines).
Executive Search & Selection Division

Technical Director- AUDIT SAUDI ARABIA

Our client is one of the fastest expanding public accountancy practices in the region. To cope with immediate growth they require a Technical Director—Audit to fill a post equivalent to that of Partner in a large UK practice.

Responsibilities will include the quality control of the audits of some of the largest public and private sector organisations in the Kingdom and the continued development of technical standards which have already reached a level comparable with the best practices employed in Europe and North America. The practice currently employs a number of UK and North American trained accountants all of whom have between 3 and 10 years post qualification experience. The successful candidate will also have a staff development and training role.

Applicants should be either partners or approaching partner level in a medium or large accountancy practice. Both English and Arabic speaking candidates will be considered.

Two year renewable contracts of either bachelor or married status will be negotiated, the terms will be commensurate with such a key position and will include, in addition to an attractive tax-free salary, a full range of additional benefits covering transport, accommodation, medical care and home leave.

Suitably qualified candidates are invited to send a full curriculum vitae to:

David Bannister,
Armitage Norton Consultants Ltd.,
Hazlitt House, 28 Southampton Buildings, Chancery Lane,
London WC2A 1AR.
Applications should be marked "Confidential."

Armitage Norton Consultants
MANAGEMENT CONSULTANTS
LONDON - BRIGHTON - HUDDERSFIELD

EXECUTIVE ACCOUNTANT — GENEVA

A small but fast-growing scientific instrument manufacturer marketing aggressively, world-wide, has a uniquely challenging opening for an ambitious, career-minded accountant to be totally responsible for the accounts department which consists of 3-4 people at present.

Ideally in mid-late 30's, appropriately qualified with an attitude to work that is flexible and self-motivated towards doing all possible to assist the team grow in the areas of accounts, control, costing, existing and new business analysis, etc.

Working language is English but French and German would be a plus. Job location and team environment is informal and a special attraction. The successful candidate would assume the third most senior executive role in the group and earn a compensation package sufficient to attract the exceptional executive.

Call, in confidence, Lach Thorburn (021) 26 10 28 or write to:

THORBURN & ASSOCIATES, CASE POSTALE 3967, 1002 LAUSANNE, SWITZERLAND.

Financial Director

International Hotel Group

Part of an integrated leisure and travel organisation with worldwide interests, this hotel group has embarked upon a programme of planned growth. It will be built upon existing, well founded international operations.

With a retirement pending, the need is to strengthen the existing multi-national management and to create/implement financial investment policies and controls capable of taking the company successfully into the next century. There will be considerable worldwide travel.

Qualified accountants, male or female, with an additional academic or business school qualification are invited to apply. Probably not over 40 years of age, you must possess considerable high level experience of international hotel finance or possibly be in the appropriate sector of the construction industry at, or near, Board level. Established connections with overseas Government Agencies, banks, pension funds and leading financial institutions will be expected. Total written and spoken fluency in English is essential — Spanish will be needed, and a knowledge of French would be useful.

It is unlikely that anyone now earning less than £20-25,000 p.a. in the UK, or its equivalent elsewhere, will possess the correct experience. A total remuneration package will be designed to meet the personal situation — there are also very valuable fringe benefits including a car. Relocation expenses to Spain, where the position is based, will be available.

Please write in strictest confidence to P J G Rolandi, Chief Executive, (RP32).

Alliance
Management Search
15 Borough High Street, London SE1 9SH.
Tel: 01-403 0894 (24 hours).

Trade Finance Manager

Singapore

An experienced Trade Finance Manager is required by the Trade Finance division of Dow Scandia Holdings Limited, to take over the existing portfolio and develop new business in S.E. Asia.

The successful candidate will assist in planning and implementing market strategy. This will include identifying and following up business potentials and prospective clients, the collection of information, analysis and presentation of propositions to the Credit Committee.

Other key duties will include periodic visits to clients to review status and identify further needs and keeping abreast of, as well as providing relevant information on, market conditions to the company.

The candidate must have previous experience in the marketing and credit aspect of Trade Finance. A dynamic self starter is required, preferably aged 25/35 with a degree or suitable professional qualification. Previons working experience in Singapora or elsewhere in the Far East is desirable.

The attractive salary and benefits package includes relocation assistance, accommodation, company car, medical expenses and five weeks leave.

Applications in writing with full curriculum vitae should be sent to:

R. E. Egan, Esq.,
Dow Scandia Holdings Limited
37 Queen Street, London, EC4R 1BY.

International auditors

Worldwide Travel **Paris base**

An American industrial and consumer goods group with sales in excess of $ 5 billion maintains a Paris-based operational audit department covering worldwide activities outside North-America.

Opportunities exist in this multi-lingual department for candidates possessing:
- experience with a major international audit firm
- fluency in English plus at least one other European language
- complete freedom for travel

The position, which has an excellent salary, offers first class experience and long-term prospects with a multinational group.

Please send a career summary and details of current salary under reference 8745 to Organisation & Publicité - 2, rue Marengo - 75001 Paris - FRANCE.

ARAB BANK FOR INVESTMENT FOREIGN TRADE (ARBIFT)

ABU DHABI

We are offering the following excellent opportunities for:

1. A Lawyer expert in capital market (Loan Syndication, Bonds, C.Ds, F.R.N.) with several years of experience covering all legal documentations requirements. Candidate should have at least a University Degree in Law.
2. An expert in Loan Syndication Administration Including Agency function. Candidate should have at least University Degree with several years of relevant Banking and Syndication Loan experience, good knowledge of the technical aspects of Syndicated Lending, Bonds and C.Ds Trading.
3. Chief Dealer with several years of experience in International Financial Institutions, covering Foreign Exchange, Spot, Forward and Deposits Market Operations and should be very competent to lead the team of Dealers, with analytical approach to the Foreign Exchange and Money Market Operations' tactics.

All appointments will be based in Abu Dhabi, U.A.E., and please send urgently your résumé which will be treated as strictly confidential, with a photograph, to:

Arab Bank for Investment & Foreign Trade
P.O. Box 6733, Abu Dhabi, U.A.E.
Attention: Administration Division

Reinsurance Manager

South Africa

Our client is a leading fire insurer in South Africa and also handles a wide range of general business. The recent upgrading of this post reflects the growing significance of the company's reinsurance business: treaty premium volume is of the order of R25m. outwards, part of which is reciprocal. The appointment offers an excellent career opportunity.

A high level of professional competence, backed by an appropriate qualification; extensive experience covering all aspects of reinsurance; and a thorough familiarity with treaty drafting and management, are the key requirements. Age – preferably 35 to 45.

Commencing salary will be negotiable up to R30,000. Additional benefits include bonus, car and comprehensive assistance in relocating in Johannesburg.

Please write – in confidence – to Colin Bexon ref. B.17350.

MSL
United Kingdom Australasia Benelux Canada France Germany Ireland Italy Scandinavia South Africa Switzerland U.S.A.
Management Selection Limited
International Management Consultants
52 Grosvenor Gardens London SW1W 0AW

A leading Financial Institution in the Middle East requires:

1. A FOREIGN EXCHANGE DEALER

Salary negotiable depending on experience. Ref.2071/FT

2. A FOREIGN EXCHANGE ANALYST WITH CHARTING EXPERIENCE

Salary in the range US $32,000-50,000 neg. Ref.2072/FT

The Foreign Exchange Dealer will be responsible for dealing with a multi-currency portfolio of sizeable amount. The Foreign Exchange Analyst will be a self-starter, contributing ideas to a high-level decision-making body.

Applicants for the above positions, who will report to the Foreign Exchange Manager, will have at least three years relevant experience gained in first class financial institutions. In both cases exposure will have been gained to a broad range of currencies and instruments.

Salaries will be free of local tax. Free accommodation, car or transport allowance and medical facilities will be provided. Other benefits will include generous annual leave and return air fares. Appointments will be on married status where appropriate.

Please write or telephone for an application form, quoting the appropriate reference number, to W. L. Tait.

Touche Ross & Co, Management Consultants
Hill House, 1 Little New Street, London EC4A 3TR. Tel: 01-353 8011
A member of the Management Consultants Association

BANK OPERATIONS OFFICER

Bank Intercontinental Ltd.

Cayman Islands

Bank Intercontinental Ltd is a private merchant and investment bank located in Grand Cayman, British West Indies. The bank is part of a larger established group offering a wide range of financial and corporate services.

We are seeking to recruit an officer with a thorough knowledge of banking practices and procedures to be responsibla for the day-to-day control of our bankiog operations. Experience in tha eurocurrency market, as well as a sound background in domestic banking, would be an advantage.

Applicants will ba part/qualifiad AIB, and will ba seeking to develop a career in offshore banking.

Preference will be given to single persons in the age of 22-25 and wa offer a commencing salary of US$24,000 tax free.

Interviews will be held in tha UK but in the first instance all applications incorporating a detailed curriculum vitae, should be sent to:—

The General Manager
Bank Intercontinental Ltd
P.O. Box 1346
George Town
Grand Cayman
CAYMAN ISLANDS, B.W.I.

DIRECTOR OF FINANCE EUROPEAN OPERATIONS URGENTLY REQUIRED

Our client, a major U.S.A. Corporation is e prodncer of commercial and OEM products. Seeks an effective individual to provide strong operational technical assistance to its European operations. He will develop, implement and maintain efficient and cost effective treasury management techniques and systams. Also Financial and Accounting policies and procedures. He will provide accurate financial reporting to corporate and European management on all phases of current and future activities.

Duties include direction supervision of all European financial and accounting personnel through several managers. Also incindes preparation of reports, conclusions and recommendations to management. Planning long range and strategic aspects of cash and asset management. Control and development of effective accounting procedures, methods and policies. Maintain and develop proper banking relationships. Review money transfer and payments. Minimise bank debts, etc., to U.S. Desire French and/or German fluently. Position reports directly to U.S. corporate headquarters financial management and responsible to Director of European operations.

Answer at once as interviews are being arranged from September 20th-October 1st.

P-E CONSULTANT GROUP LIMITED
1 Albemarle Street, London W1X 3HF 01-409 2688

SALES REPRESENTATIVE

We are a printing company in a Mediterranean country and we specialise in filmsetting, printing and binding of textbooks (Latin and Arabic script).

We intend to expand our business in the Middle and Near East and are looking for a part-time Sales Representative based in either Europe or Middle East to assist us in this venture.

Please write Box A7964, Financial Times, 10 Cannon Street, London EC4P 4BY.

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01-637 7604

APPOINTMENTS WANTED

BRITISH ACCOUNTANT in Düsseldorf area

seeks further assignment in near future as current assignment is completed. Need not be whole-time and problem area preferred to routine work. Experienced mainly in industry up to managerial level. German speaking and both British and German references available.

Write Box A7866, Financial Times 10 Cannon Street, London EC4P 4BY or phone home 02122/72732

Pina Bausch/Sadler's Wells

Clement Crisp

Fashionable and funny

What has to be said straight away about the Tanztheater Wuppertal, Pina Bausch's ensemble which opened with *1980* on Tuesday night for a first London season, is that you will have to look very carefully to find the *tanz*. At one moment, far against the back wall of the stage, a girl—masked by the rest of the cast—sketches a few steps, and repeats this later on, and there is a lyric interlude when a girl in a white dress dances under the jet from a garden sprinkler which is freshening the turf that covers the stage. Apart from these fragments, the evening is *theater*, and no less than four hours of it.

It is theatre of the currently fashionable kind; disjointed, allusive, illogical, sometimes outrageous, frequently harshly funny. ("What are you afraid of?", demands a voice of the cast. "Madness," answers Mechthild Grossman. "What else?" "Death." "*Is that all?*" "Isn't that enough?") George Moore was accused of conducting his education in public. Pina Bausch, heroine of the avant-garde dance in Germany and a potent influence through her theatrical comments upon German bourgeois society, seems to be conducting her own psychoanalysis in public, and involving her troupe of 18 actor-dancers in group therapy in the process.

Earlier theatre pieces—she has been working in Wuppertal for a decade—were more obviously danced creations, concerned with social observation rather than judgment, cataloguing the incomprehensions and brutalities of life. *1980* rejects dance entirely, though the fact that the cast are all dance-trained accounts for their muscular alertness and the physical clarity and often beauty of their acting.

Earlier this year Michael Coveney reported with great enthusiasm from the *Adelaide* and Holland Festivals on *1980* and on two other Bausch pieces (including the *Kontakthof* which will be shown at the Wells next week). I join him in saluting the Bausch way in which, as he so acutely noted "Death and separation can only be faced by pouring the experience back into our lives, rationalising the pain, as Proust did, in a construction of art."

The starting point for *1980* is the appearance of Janusz Subicz (a Baryshnikov double) as a little boy, eating from a bowl with one spoonful for Papa, one spoonful for Maman. The work's progress — and there is progress; and an ultimate reconciliation of past with present through cyclic form — is decked out with many of the hallowed procedures of theatrical shock. There is the irruption of the cast into the stalls (where they serve tea to the audience); video recording; nudity, as a royal personage graciously waves at us from the arm of a bare, though paper-crowned, consort; outbursts of frenzy contrasted with surreal calm; a chap apparently defecating in a corner of the stage; a conjuror and a stuffed deer; round games; singing; an accompanying musical text which ranges from Alfred Deller with Elizabethan madrigals to Judy Garland and a snatch of a Beethoven 'cello sonata; music-hall jokes; exposure of various parts of the body in a manic sun-bathing sequence, and of parts of the psyche; acrid comment on the way women manipulate men, and men manipulate women (in a tearingly funny beauty contest which degenerates into a literal leg-show with Meryl Tankard as the spirit of misrule destroying every benwitted Miss World cutie for ever).

And underpinning the action are recurrent flash-backs to the world of childhood, and the anger Miss Bausch feels at the deformation and destruction of the child's identity, at the erosions of joy caused by loneliness, isolation, and the roles given us by parents and social convention, and the roles assumed as a refuge from life. The effect is of Hieronymus Bosch redrawn by Georg Grosz. In one of the most piercing scenes the serenely beautiful Anne Marie Benati stands holding a cushion and repeating "I want to go home. I want to go home." The production's bitter answer seems to be: "You have no home."

Scene from '1980'

It is a long evening: four hours with one interval. It is an improbable evening, and not for the dance fanatic. But for anyone caring about the theatre it can offer unusual and eye-opening rewards. It is in no sense difficult to comprehend: too much has been made of the fact that disparate incidents overlap or are played simultaneously. Life, you may have noticed, is played simultaneously, and we somehow cope with that.

I do not have great sympathy with the "letting your hair down" theatre of self-indulgence, and the simplistic, catch-all procedures of *1980* cry out to be edited, sharpened. But never for an instant—well, only for one instant—was I bored, and the sprawling length of the piece brings many insights and excitements. Not least of these is the chance to savour the exceptional gifts of the cast, Lutz Förster as imperturbable master of ceremonies; Meryl Tankard, who is probably the young Edna Everage; Mechthild Grossman, possessor of a stunning whisky baritone and a mocking and irresistible *furia*; the mysterious Kyomi Ichida, the lovely Anne Marie Benari, Janusz Subicz, by turns pathetic as a child and puckish when teasing the audience, and the sardonic Arthur Rosenfeld, just restraining himself from throwing a jelly into the stalls, are immediately compelling. But the entire cast is very fine, and *1980*—disturbing, hallucinatory, compassionate—really has to be seen.

Baker & Parsons/Barbican Hall

Max Loppert

A series of eight song recitals at the Barbican, the last on October 27, has been launched under the banner of *Geoffrey Parsons and Friends*. The enterprise, its other virtues apart, does timely honour to a pianist long deserving of it, a pianist currently (as he showed throughout Tuesday's opening concert) pre-eminent in the mine-laden but richly rewarding field of playing for singers. Mr Parsons claimed, in truth, only a single full turn in the spotlight, during the Strauss "Morgen" long solo introduction and finale. Here was encapsulated his special mastery: gentle and beautiful on its own, the playing unerringly pointed the way to (and later recalled) the singer's first entry as an interpretative *inevitability*, an *artistic* completion. All evening the pianist's gifts were displayed at their very best.

But hereafter attention gives way (as Mr Parsons would no doubt want it to) to the singer of the evening; for Janet Baker was *in superlative form*, and down to the smallest detail this recital seemed to me little short *of a miracle*. If it is Dame Janet's departure from the stage that has caused this new ease, unleashed this new vocal glow (I counted five, perhaps six notes all evening less than exactly controlled), released this new quiet, unfettered radiance and absolute security of artistic means, then the golden age of Baker recitals is just beginning.

Three-fourths of the main programme was given in German, the language in which (after her native tongue) Dame Janet communicates most directly. A Brahms group began it, testing the air (which, in the case of the Barbican, means training our ears to ignore the persistent air-conditioning hum and the occasional, inexplicable electronic bleeps), delicately but firmly laying the groundwork of the concert—of the five songs "Botschaft" was particularly notable for the way the lightest, most glancing clarity of statements pointed towards a final affirmation perfectly in scale with, in the frame of, the whole song.

Then the Schumann *Liederkreis*, Op 39, the supreme achievement of the recital. With the subtlest and simplest shifts of tonal emphasis, and without anything of the self-conscious meaning-finding that sometimes afflicts Schumann singers, Dame Janet delineated the colour and the line, the shape and the climax, of each song. The restrained cold passion of "Waldgespräch" was terrifying, yet the transition to the rapt eloquence of the following song, "Die Stille" was made with the understatement of genius: the performance formed a complete whole, a set of variations on a theme of romantic disquiet spun out from a deep, still centre.

Five Strauss *Lieder*, after the interval, came as necessary relaxation after so exalted an experience. The intimate tone (some phrases barely above a whisper as they floated across the hall) suffused "Ich trage meine Minne" with magical serenity, and made of "Morgen" not a deep-purple reverie but a meditation inwardly addressed and (as it were) overheard by the audience. For last, Dame Janet and Mr Parsons had arranged perhaps their greatest surprise—four Gounod *mélodies* brushed and pointed and charmed into a state of grace far beyond even what one normally grants this composer. Most of the recital had lain in the warm centre of the singer's voice; in the final *Bolero*, A and B flat above the stave crowned the evening.

Her Mother Came Too/Thorndike, Leatherhead

Michael Coveney

Oh dear, this is awkward. Of course we should welcome Hermione Baddeley back to the British stage after an absence, I calculate, of ten years. She is a sweet old actress with a gimlet eye and a wonderful voice. But she has chosen for her return a really dreadful new play by William Douglas Home. And, even worse, her performance is doddery in the extreme, vague, imprecise and smacking rather of being made up as it goes along.

To be fair, Miss Baddeley apologised for the embarrassment she had inflicted upon a friendly hoose on Tuesday evening with a curtain speech. At last she was herself, confident and gracious in explaining her lack of rehearsals. (She had been *delayed*, *apparently*, *in* America.) The white-haired audience sportingly gave her a cheer. Anywhere else in the world, they would have been demanding their money back.

She plays an unshockable old grannie who has lost her daily help and has descended on her daughter's house in Godalming. Her daughter, Sheila, spends her day spraying indoor plants and trying to intercept Tommy, her husband, as he wanders back and forth between the sofa and the drinks cabinet. This marriage is not all it should be and there is the additional problem of the children, a boy and a girl, each of whom has a lover.

After the usual ritual of half-cock jokes about Australians, poets and the unemployed, it becomes clear that promiscuity is the major theme. Sheila and Tommy are not as respectable as they would claim. A tame Bishop pops by to confess to Grannie that *his* marriage was celibate for 47 years, doomed *the minute* he *jumped into* bed with his wife on honeymoon in the Lake District and unwittingly recalled a carnal relationship with "Vincent." The Bishop and Grannie provide a quivering glimpse of love among the aged in a couple of scenes that, had they been expertly played, might have been more effective and even mildly moving.

The youngsters, in the meantime, are getting each other pregnant, drinking a lot and eventually settling down in predictable middle class fashion. There is continual reference to "the way the world spins these days," "shooting before the Twelfth," people conceived "on *the wrong side of the* blanket," and so on.

The language of the play, in short, is mannered and out of date. The same goes for the acting in David Poulson's artritic production. Charles Stapley is particularly tedious as the hard-drinking stockbroker, Hugh Hastings thunderously unamusing as the queer Bishop. The insufferably spoilt and pampered youngsters are best represented by Patience Tomlinson's *long-haired* Sue, who finds herself "in the family way." To be in the club, I suppose, would have implied an interest in yachting.

Moray Welsh/Wigmore Hall

Dominic Gill

On three Tuesdays this month, the cellist Moray Welsh and the pianist Anthony Goldstone are giving Beethoven recitals: the complete oeuvre for cello and piano (which comprises the five sonatas and three little sets of variations from the early Vienna days), interleaved with the three great middle-period sonatas, the Pathétique, Appassionata and *Waldstein*.

Moray Welsh is already highly regarded: and in truth he deserves to be more widely admired than he is. Few cellists combine easy technical accomplishment with such intense musicality, or indeed possess a tone so instantly recognisable — warm, richly coloured, salty, with a slightly gamba-ish edge. Perhaps only a kind of theatrical projection is lacking: if the platform manner were a shade less serious and withdrawn (at the biggest climaxes it can sometimes seem almost apologetic), the performances would speak that much more grandly.

At their second recital, Welsh and Goldstone gave two of the three variation sets. The 12 Variations on Mozart's "Ein Mädchen oder Weibchen" (misleading numbered op. 66—they date from 1798) are a gem, wild and windy, full of bright lights and dark shadows, greatly superior to the variations on "Bei Männern" more commonly heard. The set on a theme from Handel's *Judas Maccabeus* is charming, and much less surprising.

Anthony Goldstone gave an intelligent but unfocused, rather coyly over-interpretative account of the Appassionata *sonata*, followed by a *fine* performance with Moray Welsh of Beethoven's last cello sonata, op. 102 no. 2 in D: the extraordinary adagio slow movement was spare, simple and powerful—Welsh is one of those rare string players who actually use *vibrato* as a real expressive device, not just a constant background feature to sweeten the sound.

Book Review/Ronald Crichton

An operatic life

My Mad World of Opera: The autobiography of the editor of Opera magazine by Harold Rosenthal. Weidenfeld and Nicholson, £10.95. 234 pages

Victoria de los Angeles by Peter Roberts. Weidenfeld and Nicholson, £8.95. 184 pages.

Working on foundations dug by Richard Buckle and Lord Harewood for *Ballet, Ballet and Opera* and, in no time, Harold Rosenthal has built up the last-named from a lively fan-mag into an internationally recognised, reliable and respectable periodical. Not only for wide-ranging information but *for mostly sane views* and comment, *Opera* is a force for good. Like opera in general, the magazine has become an export article. Probably the British official mind, having somehow heaved itself over the hurdle of public subsidy then retreated into near-torpor, does not realise this. The Rome Government celebrated *the 25th anniversary* of his editorship by making Mr Rosenthal Cavaliere Ufficiale of the Italian order of merit, but no comparable recognition has come at home to this indefatigable, invariably well-informed operatic beaver.

Eager and candid enthusiasm coupled with devotion to subject and job, permit Harold Rosenthal unabashedly to record *the* bouquets as well as the brickbats that come a successful editor's way—in his case, one fancies, more of the former. More seriously, an indestructible ebullience enables him to write with natural gusto about events of yesterday and the day before yesterday, treading with a kind of crafty innocence through the grey but to memoir-writers sometimes treacherous areas between news and history.

A dder as much as a receiver, this opera fan capitalised on his adolescent passion for the art by turning himself into an unofficial chronicler, amassing and annotating programmes and cast-lists, unconsciously preparing *himself for eventually* fulfilling that task as the Royal Opera's official and excellent archivist-historian. He has been active in other ways, prodding Covent Garden in the direction he thought it ought to go, sometimes in open disagreement with the organisation that for five years employed him.

Devotion to the cause of opera in English was a stick to *beat the larger house with* while Mr. Rosenthal's true love, Sadler's Wells and later ENO, were consolidating just what he wanted to see and the no less important regional companies were growing up. The constant ambivalence towards Covent Garden makes the *writer's* affectionate memories of the highlights of the pre-war *international seasons under* Beecham (shared by this reviewer, who started his opera-going at about the same time) seem doubly valuable.

Among the bright post-war events chronicled by Mr Rosenthal are operatic appear*ances by Victoria de los* Angeles. Peter Roberts bases much of his book about the Spanish soprano on *her* own account of her life, given to him during informal interviews spread over a period of time, then expertly sewn together. The Barcelona background is neatly filled in. Anyone expecting Spanish life on a modest level to be a mixture of Bizet and Hemingway will be surprised by the affectionate, humdrum, hardworking, in every sense respectable family existence depicted here.

After the careful, cautious and sensible preparation for the young Victoria's stardom there is a certain anti-climax in the description of the career itself, with the recurring refrain of the loneliness of the jet-propelled soprano longing to return to home and children. Shy and withdrawn this star may have been, but one detects a sturdy independence of teachers (de los Angeles claims to have taught herself her roles —Grove mentions Lieder-study with Elena Gerhardt but in the book that august name eluded me), and even of manager-husband. One gets a clear picture of the crescendo and decrescendo of a long and notable career, but something more is needed.

How much will anyone who has never heard de los Angeles or her records gather from these pages of the unique quality of her voice and artistry, of her rare skill and artistry as an interpreter of her country's composers? There is a good deal about Spain but not much about Spanish music—it is however worth learning that her unforgettably radiant singing in the premiere of Falla's *Atlántida* (widely broadcast from Barcelona) was an act of courage and professionalism made under personal difficulties.

Though gramophone records offer splendid testimony to her art, de los Angeles admits to a dislike of recording and to finding the reproduction of her voice (and to those of some other singers) unsatisfactory. All the same it is a pity that this book, as well as a poor index, has a discography stingy with detail. Who would guess that ASD 2649, listed as "Spanish Popular Songs," is the desirable 1972 collection that includes Lorca folk-song settings, Sephardic songs arranged by Valls and two rarely-heard Falla works that have nothing to do with popular song?

The Fringe in London

Rosalind Carne

If you failed to reach Edinburgh this summer there's still a chance to catch up on the best of the theatrical fringe in London. The performers have limbered up nicely now, and my first choice, The National Theatre of Brent, certainly need a good work-out for their frantic, but highly enjoyable, recreation of the entire Wagnerian Ring cycle. You can see it at the Tricycle Theatre.

There are messy patches, not surprisingly, but the joy of this two hour, three-handed, *Gotterdammerung*, is that it brings back the thrill and immediacy of childhood story time. The group's antics supply what our jaded adult imaginations have lost, as the doughty Seigfried slices off a hand, or dives through flames to meet Brunnhilde at the top of a rickety stepladder. Several of these minimal props surround a *simple white circle* on the floor, a perfectly adequate setting for this Brentsize comment on the original. Covent Garden is currently offering a grander product, but this is cheap, cheerful, and you've nothing to lose but the music.

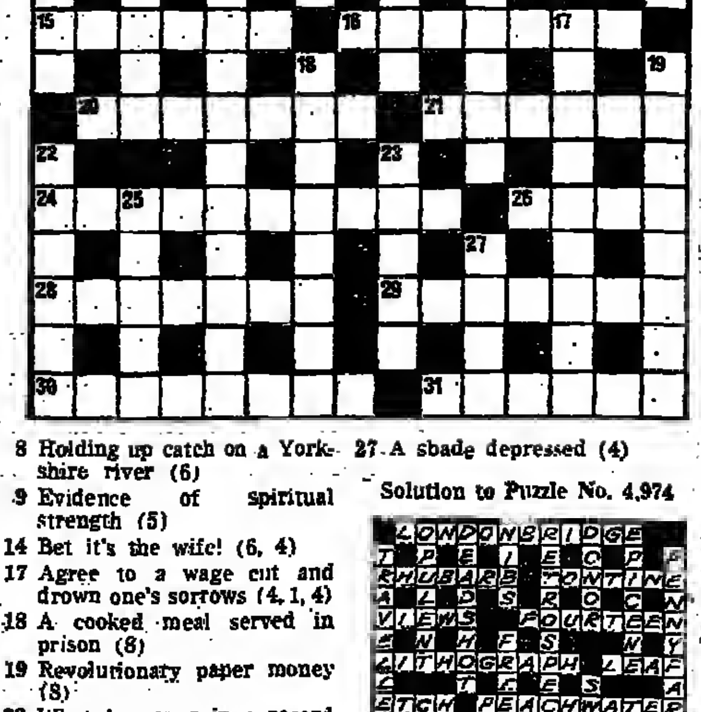
Not that this has entirely faded out. A dour figure in a green silk dressing gown, seated at a piano offers an *occasional* "leitmotif." The actors insist on calling him Maurice though he's billed on the programme as Terry Mortimer. His principal role is that of grumpy music master, and he leads an enthusiastic audience through a rousing chorus of "Heil Gibiebung." These stirring Arian sentiments provoked an equally stirring protest from one Israeli spectator in Scotland. We're more restrained in Kilburn, though there was some demur over the extent of group participation in the Flight of the Valkyries.

Penelope Nice runs the gamut of Rhinemaidens, goddesses, and that seductive trio Seiglinde, Brunnhilde and Gutrune. There's no time for costume changes, but we can usually tell who she is. Patrick Barlow summons all his valour and dry humour for a sympathetic angle on a string of peroxide warrior-heroes. Between them, they bring the inhabitants of Valhalla down to earth with a bump, aided *by a succinct* and functional script by Bryony Lavery (Seigmund, "I'm always losing swords," or Seiglinde, spying her brother/lover to her lonely homestead "O drat, an intruder").

Facetious? Shamelessly. Irreverent? Not entirely. Gentle travesty is a kindly form of attack, debunking the Wagner myth rather than Wagner's myths. The main problem, as in this group's previous exercise, is that constant ridicule lessens the dramatic tension towards the end.

Satiric exaggeration is a much crueller approach, unfailingly belittling when well executed. This is the effect of *Brogue Mole*, a one man show by John Collee and Paul B. Davies, currently running at the Gate At The Latchmere, Battersea. Mr Davies stands alone surrounded by potted plants and a selection of aural aides for his rambling *spoof* on radio thrillers. Tissue paper, a white cabbage, a mallet and a vibrator are among the implements he employs to amplify the daring escapades of Sir Digby Spode, seeking the devilish goat's skull, somewhere between Burma and Soho. He takes on a score of parts with consummate ease, but no measure of skill can compensate for the attenuated subject matter.

F.T. CROSSWORD PUZZLE No. 4,975



ACROSS

1 He wrote for various papers (6)
4 They are empowered to go over our heads (8)
10 Naval vessel which should be quarantined? (7)
11 Prison for a debt-collector who has gone wrong (7)
12 Ring the swimming bath back (4)
13 Pass by city and town (10)
15 Given hot tips at the barbers? (6)
16 An improvement in relations (7)
20 Make no allowance in a speech (7)
21 Putting water into the ship extinguishes the fire (6)
24 *House calls may double* a salesman's objective (5, 5)
26 Transport will be back at eleven (4)
28 Anger with territory is nothing new to it (7)
29 A new role in flight control (7)
30 Animals unlikely to be overlooked (8)
31 He has absolute control of the French vessel (6)

DOWN

1 A patient compilation (4, 4)
2 It's not all he has (4-5)
3 Big lake up country (4)
5 Shown to have a deficit and charged (8)
6 She's possibly recalled in a famous children's story (10)
7 Get involved with an intermediary (5)
8 Holding up catch on a Yorkshire river (6)
9 Evidence of spiritual strength (5)
14 Bet it's the wife! (6, 4)
17 Agree to a wage cut and drown one's sorrows (4, 1, 4)
18 A cooked meal served in prison (8)
19 Revolutionary paper money (8)
22 What is wrong in a record being heaten? (6)
23 Implying that women are second rate at bridge? (5)
25 Gloomy doctor has a listener (5)
27 A shade depressed (4)

Solution to Puzzle No. 4,974

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Britain and its partners

WITH THE return from the summer holidays, the governments of the European Community face the prospect of yet another bruising round of confrontations over the vexed question of the excessive British contribution to the Community budget.

While this is a genuine problem which must be resolved equitably by the Community, the British Government has a special responsibility to do its best to ensure that the negotiation on this particular issue is not conducted in the narrowest terms as an acrimonious shouting match.

This means that the terms of the debate need to be broadened and placed in the wider context of the general interests of all the Community members. A gladiatorial contest between Britain and the rest might or might not result in a satisfactory solution to the problem of Britain's excess budgetary contribution: it would certainly aggravate relations between Britain and its partners, and since any solution would be bound to fall short of any theoretical ideal (from Britain's point of view), it would be liable to strengthen the hand of those in Britain who are hostile to British membership of the Community.

Constructive

Even from a narrowly electoral point of view, Mrs Thatcher would do well if she could see to it that the budgetary argument took place against a background in which the Community was improving its image as a constructive and co-operative grouping of friendly states, rather than as a bickering collection of mercantilist rivals.

Such a transformation would not be easy. Many years have passed since the Community made much progress on the road to European Integration. The major agricultural producers have amply demonstrated their reluctance to do anything radical to control the expensive farm surpluses.

All governments have serious budgetary problems, and even the German government, hitherto resigned to its role as the Community's paymaster, has now started to dig in its heels in a determined fashion. All governments are pre-occupied by domestic concerns over inflation, unemployment and permanent pressures for protectionism. Nevertheless, the effort of imagination and goodwill must be made—by all the member states.

Mr Francis Pym, the British Foreign Secretary, has pointed in the right direction, in his Copenhagen speech a few days ago, in which he stressed his government's commitment to the strengthening of the Community. In particular, he mentioned the need for more regional and social policies, as well as for the development of an energy strategy.

Fruitful

The enlargement of the regional and social funds has long been the aim of successive British governments, on the grounds that Britain has a weak economy and would tend to benefit disproportionately. But it is quite unrealistic to suppose that they could be increased enough in the near future to make any great impact on Britain's net budgetary contribution; earlier this year, a proposal to make very large increases in them was firmly rejected by the rich countries in the centre of the Community—France, Germany, Belgium and Holland.

On the other hand, the idea of an energy strategy may be a much more fruitful line of exploration. The current oil glut is unlikely to last for ever, the Community is dependent on imported energy the future reliability of which is unpredictable, and Britain has major assets in the shape of secure sources of oil, coal and gas.

Advantage

In the past Whitehall has tended to argue that there is no way in which these assets can be turned to mutual advantage of Britain and its partners in the Community context. The task is certainly very difficult for a government which prefers not to have even a national energy policy. Perhaps Mr Pym's speech suggests that minds are beginning to change on this subject.

At all events, the Soviet gas pipeline conflict brings together a clutch of pressing issues—Europe's energy dependence on imports, the problem of East-West trade, trade quarrels with the United States, and the political question of East-West relations—which underlines the need for the Community Governments to take a broad view of their particular differences.

If national and nationalist stubbornness and lack of imagination lead to a mutual alienation between the member states, all of them will be worse off.

The Edwardes era at BL

SIR MICHAEL EDWARDES became chairman of British Leyland in November 1977, and will be leaving the company at the end of this year. During the past five years he has come to symbolise a new style of British management, determined to change bad habits and to tackle deep-seated weaknesses in some of the country's older industries.

The fact that BL is still making heavy losses might suggest that Sir Michael Edwardes has failed: certainly the return to commercial viability is taking much longer than the Government had hoped. But any assessment of his performance has to take into account the external environment in which he has been operating—sluggish or declining markets, intense competition and an over-valued currency which for a time completely undermined the profitability of exports.

Sir Michael saw what had to be done to get costs down and productivity up, and he was prepared to force through some extremely painful decisions. A clear appraisal of the likely demand for BL cars led him to undertake a rationalisation of capacity, including the virtual closure of two of the four main car production centres, which would have been unthinkable a few years earlier. Overmanning, both among direct production employees and in the support staff, was tackled firmly.

Realities

His aproach to industrial relations has sometimes been caricatured as management by confrontation, but he forced all levels of the company—his own personnel managers, shop floor employees and, reluctantly, union negotiators—to face up to the realities of the business, notably BL's precarious competitive position and its high costs compared to rival manufacturers. Work practices which had been regarded as an unalterable feature of the Midlands industrial scene were eliminated.

Some of the decisions about new and revamped models were probably wrong; partly for that reason BL's share of the domestic market has fallen below expectations. But the launch of the Metro was a notable success compared with earlier Austin Morris launches. Much hangs on the new mid-car range to be introduced next year.

Doubts

Many of the decisions which Sir Michael took should have been taken much earlier. Some argue that, by the time he arrived on the scene, BL was already in a state of irreversible decline. There are doubts about how long BL can survive in its present form, even with continued support from the taxpayer; it may be too small to compete on its own as a volume car producer in the world market. But the collaboration with Honda of Japan seems well designed to overcome the disadvantages of BL's lack of financial and engineering resources.

Strategy

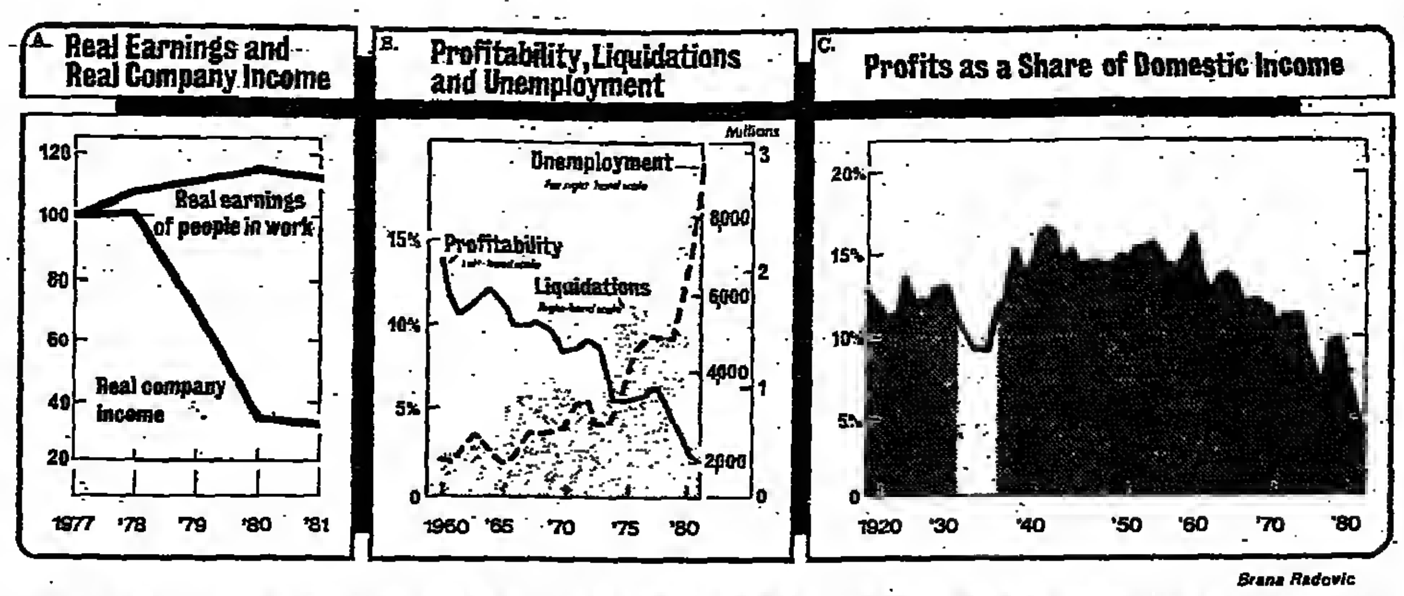
There is a strong case for pursuing a similar strategy on the truck side where, despite the alarming decline of the past decade, Leyland still has a product range and a market position that can be built on.

The search for partners reflects a more realistic view of BL's role in the world motor industry than the ambitious ideas which were current at the time of the creation of the company in 1968 and even in the Ryder Report of 1975. The revival of the company—and of British industry—has a long way to go, but the last five years have shown that some of the obstacles to that process can be removed, if the push is strong enough.

ECONOMIC VIEWPOINT

Jobs and the price of bananas

By Samuel Brittan



Brana Radovic

● Chart A: Real earnings—average earnings deflated by TPI. Real income—industrial and commercial companies excluding North Sea activities: gross trading profits plus rent less stock appreciation, capital consumption and taxes on income. Source: CBI. ● Chart B: Replacement cost profitability excluding North Sea activities; UK unemployment, seasonally adjusted, excluding school leavers. ● Chart C: industrial and commercial companies excluding North Sea gross trading profits, plus rent, net of stock appreciation and capital consumption at replacement cost. Source: Bank of England.

IF THE price of bananas is kept too high in relation to the price required to balance demand and supply, there will be a surplus of bananas. If the price of bananas is below the market-clearing price, there will be a shortage.

The same applies to labour. If the price of labour—ie the wage—is too high, there will be a surplus of workers—ie unemployment. If it is kept too low, there will be a shortage of workers. The market clearing price is the one at which there is neither a shortage nor a surplus.

Question: But surely you can't compare people to bananas?

Answer: That is not a question, but a piece of emotional bullying, unhelpful to the unemployed. Workers do sell their services, just as banana producers sell bananas. Indeed if self-employed banana growers sell directly to the public, the price of bananas would dictate their earnings.

Question: But the labour market is more complicated than that surely? If wages fell tomorrow by as much as you like, full employment would not be regained, surely?

Answer: The labour market is more complicated than the banana market. Labour works together with capital; and capital structures take time to plan, organise and erect.

There are many areas, from gardening to retailing, where the labour to capital ratio changes quickly in response to relative changes in labour and capital costs. But there is much long lived equipment that cannot easily shift to new production methods. The term "putty-clay" is sometimes used to indicate that at the drawing board stage, production can be carried out in many different ways; but once the investment has been made, production methods are fairly rigid until the next generation of equipment comes into use.

The moral is that the main influences of real wages on employment is long term. Just as it took time for workers to price themselves out of jobs, it will take time to price them back into work. Employers will have to be convinced that the new trend of real wages will not be reversed and to translate their beliefs into new plant and facilities of a more labour-using kind. But don't underrate what could be done meanwhile in personal social services, the cleaning and decorating of our cities and a host of other services which we could afford in greater amounts if labour were cheaper.

Question: Are you saying that unemployment is all due to the wicked unions?

Answer: I don't want to soft-pedal because of your caricature. All monopolies work by reducing volume to obtain higher prices and unions are no exception. Union monopoly raises wages per hour at the cost of reducing the number of man hours worked. There is a conflict of interest between people who have jobs and expect to retain them—who gain from successful union monopoly action—and the unemployed or new entrants who would do better with less pay and more jobs. If Mr Norman Tebbit were really doing as much to undermine union power as is often alleged, the outlook would be very much brighter.

However, it is not only the unions which price people out of work. Regional policy operates partly through grants and reliefs for heavily capital intensive investment, while the whole of employers' national income contribution—and not merely the surcharge—acts as a tax on employment. Then there are Wages Councils which set minimum wages in the "sweated trades."

Question: Why does the "pricing out of work" thesis generate so much hostility?

Answer: Because instead of suggesting that an entity called "government" should spend on job creation in a supposedly costless manner, it puts the onus on those already in jobs to make a sacrifice. It is saying that many of the 3m out of work are in that position because some of those in jobs are being paid too much. That is not what those who made the greatest hue and cry want to be told.

Question: Maybe real wages are too high. But demand is also too low. Have you not got to tackle it from both sides?

The easy answer would be to say "yes," especially as for the first time in several decades there is a danger of monetary demand increasing too slowly. But such an answer would be less than honest.

Governments and central banks influence monetary demand—money times velocity (MV)—not *real* demand. How far a given increase in MV is reflected in real demand and how far it is dissipated in inflation will depend on the reaction of wages. The extent to which governments can increase real demand is limited by the wage increase which workers are able to obtain.

Question: Are you saying that the unemployment problem has been caused by workers pricing themselves out of jobs?

Answer: "Cause" is a big word, best avoided in the social sciences. A pattern of wages above market-clearing levels may originate with some kind of wage-push, associated with a greater degree of unionisation or of militancy as in 1969-72. But the disturbance may also be due to other forces which have made the traditionally established price of labour too high.

Here the much-despised banana analogy can be helpful. A price of bananas above the market-clearing level can be due to an initiative by a growers' cartel. But it can also be due to a reduction in demand or a very good crop making the previous equilibrium price obsolete. The growers' cartel's responsibility is then the passive one of sticking to its old price in face of changing circumstances.

If I wanted a quiet life, I could blame the unemployment explosion on several recent severe disturbances in the British economy, such as the need to adjust to:—

- An exceptionally rapid reduction of inflation from the 1980 peak.
- The effect of North Sea oil in crowding out non-oil exports.
- The long delayed attack on overmanning which was precipitated by the sharp rise in the real exchange rate in 1979-80 and consequent pressure on profit margins.
- The sharp increase in energy prices (even after allowing for the recent shakeout) which has made many processes and products obsolescent.
- The drift in the most efficient location of many traditional manufacturing industries to the newly industrialising countries.

The last two are common to other industrial countries, the first three unique to Britain.

But to attribute unemployment to these forces alone would not be convincing. The pressures expressed themselves in a rise in unemployment because so-called rigidities in labour market prevented the wage adjustments they required from occurring quickly enough. To preserve full employment in the face of these shifts, wage costs in many sectors would have had to fall.

Question: Isn't the main problem lack of international competitiveness? The CBI, in its recent Competitiveness Paper noted that labour costs are 30 to 35 per cent above those of our competitors, relative to 1975 and expressed in a common currency. Why not just devalue?

Answer: Devaluation should be discussed rationally and not just with knee jerk horror. The fact remains that devaluation will only work if there is a reduction in real wages amounting to a substantial fraction of that devaluation. It may sometimes be simpler to reduce real wages by raising the price of imports and tradable goods; but past experience has shown that much of the gain is soon eroded—suggesting that "overvaluation" is but a symptom of excessive real wages.

The CBI has suggested that a three-year path involving each year a 2 per cent rise in productivity faster than in other countries, an increase in pay 2 per cent lower and a 4 per cent depreciation. Obviously these figures are not in the power of any government to deliver. But as a rough gradualist path, it is not all bad: and a belief that it was obtainable would bring forward a recovery in employment.

The main problem about the international competitiveness approach is that rising unemployment is a worldwide and not just a British problem. Every country cannot become more competitive against every other country. For the Western world as a whole, wages need to fall relative to productivity and as a proportion of value added. To put it this way round sounds less patriotic and drum-beating than exhortations to beat foreigners, in the home market or domestic market. But it is the one non-beggar-my-neighbour approach.

Question: Would it not be less provocative and just as accurate simply to say that the share of profits in the national income, or the rate of return on capital, is low? Even Mr Peter Shore would agree with that.

Answer: Not "just as accurate," I am afraid. Changes in the relative share of profits and wages in value added help to show what is going on during a period of change. But once capacity has been adjusted to a particular pattern of real wages, one might see a stable long run relation between profits and wages, but a pool of unemployed people remaining who could not find work at prevailing wage levels. Moreover, outside the corporate sector where there are no profit figures, more people could be employed if pay per head were less—for instance, in the Health Service.

INCOME FROM EMPLOYMENT AS % OF TOTAL NET DOMESTIC INCOME IN UK

1960	73
1970	77
1980	81
1981	82

Total Net Domestic Income excludes stock appreciation and capital consumption.

Source: CBI

Question: Why do some economists resist your thesis?

Answer: It isn't my thesis. It is standard elementary economics and common sense.

One argument which has been used in letters to the Financial Times and which was used by Keynes in the 1930s is that if wages fell product prices would also fall, and labour would be no more profitable to employ than before.

To price labour into work, product prices will indeed have to fall less than wages; or wages will have to rise less than product prices. There would be little practical difficulty in reducing product wages in the export or import competing sectors, where prices are set in world markets.

Keynes himself did not believe in constant profit margins come what may. His point was that in the situation of the early 1930s, it would be better to increase monetary demand, allowing prices to rise and the real product wage to fall indirectly, rather than make a direct onslaught on the money wage. But if, as has been the case in most recent cycles, wages rise in response to higher monetary demand, it must mean that workers or other representatives are resisting the real wage reduction required to price them into jobs.

Question: Do you see any social problems in adjusting wages to market clearing levels?

Answer: Yes. Many. The trend rise in real interest rates throughout the world together with slack labour markets suggest that capital is now the scarce factor (despite the deceptive evidence of under-utilisation from industrial surveys) and the labour the plentiful one. To secure a return to full employment the share of wages in the national income may have to fall and the share of profits and the return to capital rise a great deal. This would make the distribution of income and wealth a real problem and not just a demagogic issue as it has been recently.

Question: What do you find the most genuine difficulty about the "pricing out of work" explanation, debating points aside?

Answer: I am far from certain about how "real product wages" have become too high. Union bargains are for money wages; the real wage depends (inversely) on the profit margin superimposed on top. Why have employers been forced to lower their mark-up in each business cycle? Fiscal and monetary policy may explain some particular episodes, but not a trend over several decades. Layard and Minford have produced fragments of explanations; and Michael Beenstock has a theory relating the profitability decline to the rise of Third World loan cost production in competition with traditional European industries. But I am far from convinced that I fully understand the process.

This is not as hopeless a position as it sounds. Doctors who do not know why a certain disorder has occurred still have to treat it and may even succeed in doing so.

Men & Matters

Althaus makes the break

For the first time since the 1930s, a new Government broker has been chosen from outside stockbrokers Mullens. Nigel Althaus, senior partner at Pember and Boyle, breaks nearly a 100-year-old family connection with the firm to take the post next month.

"There's been an Althaus here since 1889," he mused yesterday. He is the third generation of the family to act as senior partner.

Now he will assume the senior partnership at Mullens, the Government's official broker. Guy Nissen, a former deputy chairman of the Stock Exchange, will succeed him at Pember.

Since the Government broker automatically becomes head man at Mullens, the Chancellor of the Exchequer has in the past usually found it expedient to choose someone from inside the firm.

But after the death of Lord Cromwell in a riding accident last month, his Mullens partner and deputy Roger Daniell was considered too young at 42 to take on the job.

Althaus, who is 10 years older, is highly regarded in the market as a gilts expert. "This is the sort of job you can't turn down," he reflected yesterday. "Though," he added, with a touch of self mockery, "my ignorance of equities is as wide as it is deep."

Where was he during the booming gilts market last month? "Paddling with my bucket and spade in Cornwall," he said. "I missed it."

"I wonder if she'll see the writing on the wall in Peking?"

Party spirit

The European Community is developing an insatiable and expensive appetite for celebrations of its continued existence.

Six months after a rather restrained shindig in Brussels marking the EEC's 25th anniversary, the European Parliament yesterday threw a party to celebrate its 30th anniversary.

Thirty is not usually considered a landmark in either human or institutional life, but it is a round number and the elected members have not had that many jollities since Mayor Pflimlin of Strasbourg threw an enormous beanfeast in June last year.

Yesterday was a time for reflection by members that their lineage derives first from the common assembly of the Coal and Steel Community which numbered a mere 78 members and cost £221,000 a year to run. By 1958 it was a stripling parliament of the Six with pocket money increased to £1.3m. By 1973 nine member states were to be represented by 198 members needing £10.6m to finance their functions.

Democratic maturity has not come so cheaply. This year's budget for the 434-member elected parliament runs to £115m, a modest portion of which (£85,000) was laid out yesterday to fly in the European Youth Orchestra to give a special concert under the baton of maestro Sir Georg Solti.

Institutions are, of course, collections of people with bodies and souls to keep together, so some 1,600 repaired later, appetites sharpened by the music of Richard Strauss and Beethoven, to a buffet celebration.

Lest the Parliament's staff in Brussels and Luxembourg should feel out of it, coaches were hired to bring them down to Strasbourg for the partying.

Outside views

Trade union trustees of Britain's larger pension funds gathered in the City yesterday—but this time to get some non-City views on their investments.

For a mere £15 a head, they listened to ideas put forward by members of the Independent Pensions Research Group, a loosely-knit band of academics, journalists and others, on alternative uses for the pension funds' £70bn.

Surprising that nothing like this has happened before. Especially, says course organiser David Pelly, since there is concern among worker trustees about the uniformity of advice provided by professional sources.

A further cause for concern which emerged during the day was the dismal investment performance of numerous experts. On the basis of figures compiled by brokers Phillips and Drew, the average fund has failed to match by a long chalk the rate of increase in wages or retail prices over the past 20 years.

Worse, performance figures compiled by consulting actuaries Bacon and Woodrow suggest that around three-quarters of pension fund equity portfolios fail to beat the market averages.

With Arthur Scargill waxing strong about curbing the NCB pension fund's overseas investments and the TUC arguing for reform of the trustee law, advising trade unionists on the way ahead could become a growth industry.

More alternative days in the City are already being planned.

Line of action

Having been pushed out of the Energy Department last year, Transport Secretary David Howell seems to be taking precautions against the pundits' prophecies that he will disappear completely from the Cabinet.

The lanky former Daily Telegraph leader-writer is apparently considered sound on free market theory but lacking in implementing it.

Earlier this week, however, he was reported to be "determined" to press ahead with legislation this autumn to curb the cheap fares policies of some Labour councils.

With a bit of privatisation thrown in, it was calculated, that should raise his popularity on the Tory backbenches.

Now Howell has found another safeguard his reshuffle by appointing Sir John Hoskyns, until a few months ago the head of Mrs T's own policy unit, as his special adviser.

What will Hoskyns advise him on? "It will depend on the dominant issues at any particular time," the Transport Department responds carefully. Hoskyns will spend about three days a month on these duties for which he will be paid £4,500 a year.

Call to order

No half measures on law and order for Norwood Conservatives. Their resolution for next month's Tory conference calls on Home Secretary William Whitelaw to "recreate the conditions under which a virgin, leading a child and carrying a bag of gold, can pass on foot from one end of the country to another without fear."

Observer

HONG KONG'S FUTURE

Mrs Thatcher's delicate task

By Alain Cass, Asia Editor

FOR SOME time now many of the biggest companies and banks in Hong Kong have been running a rather special and very discreet scheme for the pregnant wives of some of their senior staff.

The wives have been flown to Britain to have their babies, not because of any lack of proper facilities in the colnny, but because, under present immigration laws, this guarantees the infant British citizenship and the right to live in the United Kingdom.

From January 1, 1983, when Britain's controversial new Nationality Act is passed, this back-door into citizenship will be closed to an estimated 2.6m British passport holders in Hong Kong among others.

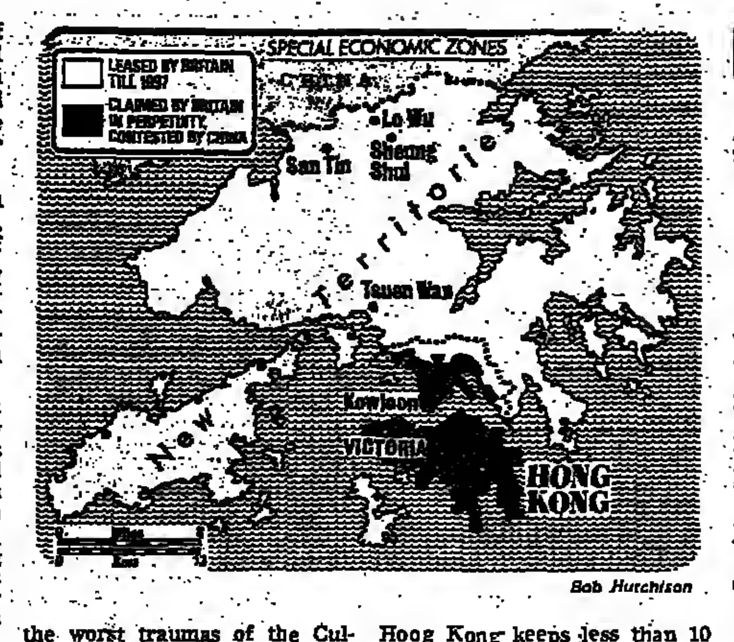
"To us," said a Hong Kong citizen in London, "this is another case of the mother country closing its doors. It's an issue over which we feel very amotional, like the raising of university fees, an act of distancing which hurts."

The crucial issue of Hong Kong's second-class British passport holders and what comfort—if any—they can draw from Britain's repeated assurances that it will "stand by" them will no doubt be of prime concern to Mrs Margaret Thatcher when she talks to Chinese leaders about the colony's future next week.

Although the British Prime Minister will also travel to Japan for some tough talking on trade, the discussions in Peking will be the highlight of her trip. The talks over what happens when the lease on 90 per cent of the colony's territory runs out in 1997 are likely to be complex and fraught with dangers.

Inept handling could, Mrs Thatcher will be only too aware, trigger that sudden collapse in confidence which would not only spell disaster for the colony's future as south-east Asia's financial centre but also present future British governments with the uncomfortable choice between redeeming its verbal pledges to Hong Kong passport holders and turning them away to face an uncertain and possibly precarious future under Peking.

This last prospect is the "worst-case scenario." Few people, if any, really believe it will come to that, not least because China—even through the worst traumas of the Cultural Revolution—has consistently said that it wants the territory to remain an outpost of capitalism and has behaved accordingly.



Bob Hutchison

A glance at the flows of trade explains why. In 1981 China exported HK$29.5bn (£3bn) worth of goods to Hong Kong—amounting to 40 per cent of Peking's estimated foreign exchange earnings—while it imported less than HK$3bn worth of goods. The continued existence of Hong Kong is thus a major asset to China's "open-door" economic policy.

Apart from being an excellent listening-post to the West, Hong Kong is also regarded as the engine which will help pull China's Special Economic Zones in the south of the country, grouped around Canton, towards sustained economic growth. The colony will be a vital base for China's developing off-shore oil programme.

Contrary to popular belief the benefits which Britain derives from Hong Kong are less tangible. Despite some £600m worth of annual exports to the colony Britain runs a persistent trade deficit with Hong Kong and, while the territory has become a jumping point of central importance for British companies doing business in Asia, the problems of administering it are enormous.

Calculating Britain's "invisible" earnings from Hong Kong is difficult since no official figures exist. Whitehall unofficially puts these at £200m a year. Hong Kong keeps less than 10 per cent of its reserves in sterling while return on equity owned by British interests is probably quite small.

To take one example: manufacturing accounts for 27 per cent of the colony's GDP. More than 90 per cent of that is locally owned. Of the rest less than 7 per cent is held in Britain.

But the possibility of a collapse in confidence—however faint—does exist, which is why the first ever visit to Peking by a British Prime Minister in office is of vital importance.

Uncertainty about Chinese intentions have already begun to surface in Hong Kong. These were fuelled recently by confused reports that China intended to gain full sovereignty over the territory. On at least one occasion earlier this summer the normally robust self-confidence of the business community was sufficiently shaken to send share prices tumbling. The need to soothe jegged nerves is now increasingly urgent and Mrs Thatcher is said to have some specific proposals in mind.

Her dilemma revolves around the issue of sovereignty. Britain accepts that Hong Kong's hinterland, known as the New Territories, and parts of Kowloon must revert to China in 1997 when the 99-year lease signed in 1898 expires. But it maintains that Hong Kong Island—the nerve centre of the colony—is British in perpetuity.

HONG KONG OPINION

An opinion poll on the acceptability of five political solutions, conducted for Hong Kong Observers in May/June 1982 among 1,000 Hong Kong residents, aged 15-60, by Survey Research Hong Kong.

	Return HK to China	Special economic zone of China	Status quo	Independent	UK admin./ Chinese sovereignty*
	%	%	%	%	%
Very acceptable	1	2	37	9	6
Quite acceptable	11	31	50	22	47
Alright	14	9	8	6	11
Not quite acceptable	40	12	5	19	11
Not acceptable at all	27	11	—	18	6
Impossible	—	—	—	3	—
Don't know	7	4	—	5	4
Can't understand the term	—	32	—	17	15

*Hong Kong to remain under British administration with sovereignty belonging to China

China rejects these arguments. It claims the treaties were "unequal," signed under duress in the shadow of British Imperial gunboats, and says the entire colony has always belonged to China, which has merely not exercised its right to claim its return.

A confrontation over who owns which bits of the colony could be disastrous for Britain. In the first place Hong Kong is militarily indefensible. "Hong Kong," as one British official put it, "is not the Falklands." Secondly, Hong Kong could not survive without the New Territories and China's co-operation. Over 90 per cent of the island's water supply, for example, comes from the leased territories or the People's Republic. Britain also recognises—although it may not be willing to say so—that Hong Kong will eventually have to revert to China. The only real questions—issues at the heart of Mrs Thatcher's strategy—is when and how.

The negotiations over sovereignty—and the need to avoid turning it into an issue—will have been complicated by the fact that Mrs Thatcher is still basking in the after-glow of the Falklands victory while the Chinese leadership is licking its wounds after a bruising contest with the U.S. over American arms sales to Taiwan.

"The Falklands have cast a long shadow over Hong Kong," explained one official in Whitehall. Put simply, Mrs Thatcher can hardly be seen to hand over sovereignty—even in name—of one British territory having just fought a bloody war to defend the integrity of another.

For the Chinese the question of sovereignty—and getting Britain to admit to Peking's writ over the entire colony—is a matter of national pride—of "face"—and a cardinal principle of policy. For Deng Xiaoping, China's pragmatic strongman, the objective must be to achieve this state of affairs without triggering a run on Hong Kong, whose stability is largely based on the premise that Britain will continue to run it or, at the very least, that China will not. What are the options?

● A renewal of the existing lease. This seems most unlikely since it would, by implication, either have to reject Chinese claims to sovereignty over the whole colony or—at Chinese insistence—require Britain to renounce its claim to the ownership of Hong Kong Island.

● Joint running of the colony. This would upset the status quo and erode confidence. Britain would argue that it would be unworkable because of the two, totally different, political and economic systems.

● Integration into China's Special Economic Zones under British administration. "This," as one official put it, "is responsibility without power and not on." It would also destroy the vital dividing line between the Hong Kong dollar and China's currency which is non-convertible.

● Independence for Hong Kong like independence for Taiwan, would be unacceptable to Peking which would march its troops across the border if the colony raised its own flag.

The only really viable alternatives for Britain, China's pragmatists and the people of Hong Kong is maintaining the status quo. The Hong Kong Observers, a independent group of young professionals, has suggested that the problem might be solved through the negotiation of Friendship Treaty between Britain and China. Other possibilities include a declaration, at some time in the future, by both sides that while Britain recognises ultimate Chinese sovereignty over the whole of Hong Kong, Peking entrusts its administration to London for an indefinite period. This could be underpinned by growing commercial links in which British technology for China's modernisation programme would be a major element.

But this, too, is fraught with dangers. "We'd be giving away our best—our only—card," said one official. A great deal will have to be taken on trust by Britain, and Mrs Thatcher is known not to be overly impressed with the stability of the Chinese leadership. When she was last in Peking, as leader of the Opposition in 1977, she was welcomed by Mao's protegee Hua Guofeng who last week suffered the final humiliation of being sacked from the ruling Politburo.

In recent weeks the Chinese leadership has been at great pains to consult a wide variety of Hong Kong residents ranging from its fellow-travellers on the Left to such business leaders as Sir Y. K. Pao, the shipping magnate. And while recognition of Chinese sovereignty has emerged as the "baseline" of China's negotiating position, and is expected to be placed firmly on the table when Mrs Thatcher comes face to face with Deng Xioping, there appears to be a much greater awareness in Peking of the sensitivity of the situation than, say, even a year ago.

"We have a hole this big to jump through," said one Whitehall official forming his thumb and forefinger into a keyhole-sized circle. "I just hope we can do it."

Lombard

East-West trade in perspective

By Jonathan Carr in Bonn

AMID ALL the fuss about the Soviet-West European gas pipeline deal, it is worth underlining two points about East-West trade in general. One is that the level of this trade does not fulfil the hopes of the optimists—and there were quite a lot of them—a decade or so ago. The other is that, even if President Reagan did not exist and no efforts were being made to impose an embargo against Moscow for political reasons, the outlook for East-West trade would be pretty grim.

Both these messages emerge from a useful study* released this summer by the Institute of the German Economy (IW) in Cologne. While concentrating mainly on West Germany's trade with the East, the study also takes a look at the exchanges between the whole Organisation for Economic Co-operation and Development (OECD) area and the Communist countries. The results help put the current heated debate between the U.S. and the Europeans in better perspective.

Looking back, it is clear that if there ever were a "golden age" for Western exporters to the East then it was the mid-1970s. While at the start of the 1970s only 3.5 per cent of the exports of the OECD countries went to the state trading nations (including China), by 1975 the share had risen to 5.4 per cent. The increase was hardly enough to justify euphoria, but showed that the East was becoming relatively more interesting as a sales outlet. However, by last year the Eastern share of OECD exports had sunk again to only 4.1 per cent.

The breakdown by country shows a similar development in most cases — with a peak in mid-decade and a decline later. Interestingly, the United States is one exception to the trend. It started from a very low base in 1970 with only 0.8 per cent of exports going to the Communist states. By 1975 the share had risen to 2.9 per cent and by 1980 3.4 per cent, a share maintained last year too. No doubt grain deliveries have contributed to the rise.

What about West Germany—which gave the word "Ostpolitik" to the world and where many hopes have been pinned on growing trade to help break down political and human barriers with the East? The general trend is much the same. The Communist states (including East Germany) took a 6.2 per cent share of German exports in 1970, 9.5 per cent in 1975 and 6.3 per cent last year.

These figures naturally understate the importance of Eastern markets for some specific branches of the German economy. For example over 15 per cent of Germany's iron and steel product exports and nearly 10 per cent of its mechanical engineering exports go to the East. Nor do they show the level of import dependence. In fact, a bit more than 5 per cent of West Germany's overall imports come from the East—and Soviet natural gas accounts for 17 per cent of West Germany's total gas supplies. When the gas pipeline deal is fully implemented, that proportion will rise to 30 per cent of gas supplies, a figure the U.S. likes to emphasise, or to just under 6 per cent of Germany's primary energy needs, a proportion the Germans prefer to stress.

It is plain that Moscow gains financial benefit from the gas pipeline deal—though whether the sums will go mainly for weaponry, or for grain imports (for which the Americans demand cash) or for other things is not clear.

One, rather extreme, conclusion might be that one should buy nothing from the Russians at all and then one would be sure not to help, unwittingly, the Soviet military effort. A less extreme lesson emerges from the IW study. It is that the Eastern countries have in any case run deeply into debt, not least because they do not have enough of the products to sell which the West wants to buy. In future they are likely to meet ever-tougher competition on Western markets—even in product sectors where they have been traditionally fairly strong—from fast-industrialising countries of the Third World. In sum, the most effective form of trade embargo is the one the—almost literally—bankrupt Communist system imposes on itself. No U.S. President could do it better.

* "Der Deutsche Osthandel," by Jörg Beyfuss, Institut der Deutschen Wirtschaft, Cologne.

Letters to the Editor

Too much complacency about productivity gains

From Messrs D. Helm and B. Rosewell.

Sir,—It is interesting to see that work in the National Institute of Economic and Social Research's August Economic Review concentrates on long-term trends in productivity and makes some interesting comparisons with other industrialised countries. It comes over very strongly that Britain's productivity performance has been markedly worse than that of our competitors for several decades—indeed as far back as the 1930s. Moreover it appears that in the most important sector—manufacturing—there has been a fairly constant but slowly deteriorating, productivity ratio with both the U.S. and with Germany.

This strengthens the conclusion that the increase in productivity in 1981-82 does not represent a revolution in attitudes and performance. It will take far more than one or two years change to reverse such a firmly established pattern. We would suggest that if unemployment starts falling again, or even levels off, that many of the so-called productivity gains will turn out to be no more than morning mist vanishing with the sun.

It would have been illuminating if the review had also compared changes and levels of labour costs. While it looked at different ways of valuing outputs and examined the impact of raw material prices, no attention was paid to labour costs. Yet these are crucial in defining appropriate levels of output per head. If Britain is a low real wage country in the international league, then it would be extremely surprising if it were not also a low labour productivity country. It is then easy to see also that many of the changes hailed recently as heralding a productivity revolution are in fact rather reductions in real labour cost—eg, lower wage increases or foregoing fringe benefits—rather than fundamental changes in working practice. They are the more likely to disappear in an upswing.

The institute also undertook sectoral studies, including agriculture, mining, public utilities and transport and communication. These sectors show considerable variation and it is noteworthy that the public sector appears to have both been the worst relative (longer term) performer and also to have improved most significantly. The role of government policy and the nationalised industries in Britain's overall productivity performance is central—in particular since the outputs of many of these industries, (eg, steel, fuels, transport) are intermediate inputs into manufacturing and will contribute to these other industries' efficiency.

Many firms and industries are now beginning to feel complacent about their productivity gains and are directing concern increasingly towards the lack of demand. Unfortunately complacency is premature. Companies of all kinds, both in manufacturing and non-manufacturing, need to continue the search for more efficient methods of work. Continuing improvements will not come automatically, least of all in an upturn. In addition pressure on the public sector to make improvements has to be stepped up.

D. R. Helm.
B. C. Rosewell.
Oxford Economic Research Associates,
West End Form,
Aston, Oxford.

Pensions, trustees and the TUC

From Mr P. Charie.

Sir,—Your leading article "Pension funds and the TUC" (September 1) contains a number of valid comments, but I must take this opportunity to draw attention to one or two widely-held misconceptions which emerge from the first three paragraphs.

Although employees may contribute part of their pay to their pension fund it is not of any adverse consequence to them that the employer is regarded as the "settlor" with initial powers over the trusteeship and form of the scheme, for new employees are normally appraised of the pension arrangements before they join and are in the desirable position of knowing not only their obligations to contribute but also their ultimate pension rights and these rights are normally of a well-defined nature whereas the beneficiary under a trust knows only of his share of the income/capital but not the numbers which will come to represent that share. Therefore the "outdated law of trust" appears to serve them rather better than those for whom it was originally intended.

It is suggested that trustees should perhaps take account, in fulfilling their duty to invest, of interests wider than those of an immediate financial nature. Whatever social justification might be alleged for this it remains their function, in their capacity as trustees, to concentrate on the job in hand, for how else can they look after the interests of members/the "settlor."

Fears such as the practical inability of pension scheme members to take proceedings against trustees in relation to bad investment decisions are of little practical consequence for, pension entitlements are normally clearly defined and unlikely (only in cases such as the insolvency of the company) to be affected by those decisions. It is the poor old "settlor" who traditionally finds himself making deficiency payments into the fund—a further justification for his having at least the initial say in the appointment of trustees and form of the fund.

Paul A. Charie,
10 Thirlmere Rise, Bromley, Kent.

Unemployment benefits

From Mr J. Francey

Sir,—I agree with Mr Franklin (September 11) that tax on unemployment allowances should be set at a level which ensured that the recipient would find it worth while to take a job. At the same time I feel that the publicity given to the Oxford fraud inquiry might give the impression that amounts like £67.20 are not unique.

I lost my job in August 1981 within eight months of retirement. Since I had no experience of state benefits throughout my working life I had to ensure that I did not miss out on any help available to management people. The only help I found was unemployment benefit and I signed fortnightly at our local labour exchange for the sum of £28.28 weekly, inclusive of "earnings related" benefit. In return for the money I was required to confirm verbally on several occasions that my circumstances had not improved since my previous signing.

It would appear to me that those who "qualify" for substantial amounts of benefit are not likely to come from the ranks of the big majority of people who have contributed all their life to the system.

John B. Francey.
59 Aytoun Drive, Erskine, Renfrewshire.

The vote for cheap fares

From Mr I. Gwinnell

Sir,—I was intrigued to learn (September 11) that "Londoners vote for return to cheap fares" and happy to know that Mr Wetzel derives so much satisfaction from the 13,068 coupons and cards returned. It may be enlightening however, to learn who the coupon and card fillers were.

How many of these coupon and card fillers were my neighbours and fellow ratepayers from Bromley who live 10 miles away from the nearest tube station — I doubt very many. Perhaps it would be a better idea to survey tube and bus users as to whether they would like to pay more or even some Greater London Council rates.

Why don't Mr Wetzel and his infuriating colleagues concentrate on providing a half-decent service rather than waste my money on these ridiculous surveys, from which he would like to indicate that my tax-paying neighbours and I want to subsidise all and sundry. Just once, why not pay for services we use?

Ian Gwinnell.
4 Footbury Hill Road, Orpington, Kent.

Nobody is worried about Hammersmith

From the Honorary Secretary, Fulham and Hammersmith Ratepayers' Association

Sir,—The world's bankers are reported as being very concerned about Mexico's external debt of about £30bn, or £500 per head of population.

Why, then, is no one similarly concerned about the external debt of the London Borough of Hammersmith and Fulham, which at March 31 1981, the last published figures, was £165,306,615, or £1,103 per head of population?

Arthur Blackmun,
23 Richmond Way,
West Kensington, W.14.

Taking in a theatre

From Mr M. Coulson

Sir,—Malcolm Rutherford asks in his otherwise well-argued article on the arts (September 10) why London theatres do not begin at 9 pm. If they did, while it would indeed be possible to eat before the show, it would be impossible for many people to get home afterwards.

Michael H. Coulson.
Laing & Cruickshank,
The Stock Exchange, EC2.

Interest burden depresses Bowater

SLIGHTLY LOWER pre-tax profits of £42.3m against £43m, after interest sharply up from £11.7m to £17.3m, are reported by Bowater Corporation, the paper manufacturer, for the first half of 1982.

Turnover for the period fell from £903m to £775m but, after central costs of £3.1m (£2.7m), trading profits showed an advance from £54.7m to £59.6m.

These broke down as to: paper and pulp £45.8m (£47.8m); packaging and paper conversion £4.2m (£3.4m); tissue products £7.9m (£10.2m); other manufacturing loss £0.2m (loss £0.8m); merchanting, freight and other services £5.0m (£2.8m); discontinued businesses nil (£5.0m loss).

They were struck after interest paid on commodity trading companies nil (£4.7m). Depreciation amounted to £22.7m (£19.8m).

Earnings per £1 share are stated at 1.5p (7.4p), tax took a reduced £17.2m (£24.4m) and, with the attributable balance climbing from £11.7m to £18.6m, the net interim dividend is unchanged at 4.25p. Last year a total payment of 11.5p was made on profits of £106.7m.

The company has found it necessary to reduce newsprint stocks and its mills at Corner Brook, Newfoundland and Calhoun, Tennessee have been closed for 21 and 16 days respectively, the directors report.

The Mersey mill in Nova Scotia will also close for two weeks later this month.

The detrimental effect to second half-year results will be partially offset by lower operating costs and by the company's market position in the southern states, however.

They report that, the current downswing in the cyclical paper industry is being accentuated by the recession in the U.S. and indeed, across the world, and there is little present sign of any improvement.

Nevertheless, a lower pattern of interest rates should ease the burden of financing charges for the year as a whole.

The decline in inflation rates, furthermore, should assist in rebuilding confidence necessary for a return to more normal levels of activity. When that occurs, the company will derive further benefits from its policy of long-term investment.

Pulp and coated paper interests in the U.S. have maintained full operations, although in weaker markets. Pulp prices are still weak, but there are signs that they will not fall further and order books remain full.

Results of overseas subsidiaries have been translated as at June 30 1982 exchange rates. Results for first half of 1981, at the same rates would have been: profit before tax £48.8m; and profit attributable to shareholders £15.4m.

CCA trading profit turned in at £39m (£35m) for the first six months.

Dr Ingram Lenton, managing director, said later that the company expected to do no more than "reap the modest rewards" of its own cost effective measures.

In the U.S. the group was having to join other companies in shutting plant for a time because of the serious oversupply in the newsprint market.

Dr Lenton said the board's aims in the U.S. were to enter the "dip" later than the rest, achieve a dip shallower than the rest, and "fight our way out of it before the others." Bowater was achieving the final aim at the moment.

He said the state of the paper making industry in Europe was now worse than at any time since the last war. However, it would need only a modest improvement in the general state of trade to bring Bowater back to break even.

He said losses at the trading level on this activity were now running at £3.7m compared with £2.2m this time last year, on sales of around £175m.

See Lex

HIGHLIGHTS

Lex looks at the interim figures from RTZ which, following up a disappointing result from Consolidated Gold, proved equally poor with net attributable profits down from £47m to £28.9m. Bowater has roughly maintained its half-time profits despite the difficulties of riding out the U.S. economy. Thomas Tilling meanwhile has not fared so well in the States which is largely to blame for its sharp setback in half-time profits. Lex also looks at the figures from Eagle Star where half-time profits are down from £38½m to £24m though the dividend is held unchanged. The threat from Allianz meantime is as real as ever. Finally Lex considers the latest results from BL which lumbers towards break-even, though it is not there yet.

Tilling slumps by over £10m

HIT HARD by interest, which climbed £9.4m to £23.8m, taxable profits of Thomas Tilling, the industrial holding group, slumped by £10.9m to £20.8m in the first half of 1982.

Earnings per 20p share are shown to have declined from 7.7p to 4.9p. The net interim dividend, however, is being held at 3.5p. Last year's total payment was 9p from profits of £73.6m.

The directors say that, while world economic conditions continued to be depressed, a higher level of trading profits was achieved in the UK. However, this increase was more then offset by a fall in trading profits in the U.S., due to the sharp recession in that country. The energy equipment sector, which made an "outstanding contribution" to group profits in 1981, was particularly hard hit by the reduction in oil industry activity.

Of the increase in interest charge some £5m was due mainly to the financing of increased trading capital in the U.S., £2m to the financing of new interests, and the balance largely to currency translation.

Results included benefits of £1.7m from new interests and disposals, net of the financing charges, and a favourable variance of £1.6m on currency translation.

Of the future, the directors say that, in the absence of any firm signs that demand is recovering, continuing action is being taken to reduce costs and eliminate unprofitable activities.

Sales for the six months pushed ahead from £922.2m to £1.09bn and a breakdown of pre-interest profits, £44.6m (£46.1m), shows: builders merchanting £5.1m (£4.9m); construction materials and services £3.1m (£2.5m); energy equipment £9.8m (£12.5m); health care £4.6m (£6.1m); industrial equipment distribution £6.7m (£8.2m); insurance £5.5m (£6m); manufacturing engineering £5.2m (£3.8m); other activities £4.6m (£4.1m).

A geographical analysis of sales and trading profits discloses: UK £569.6m (£523.6m) and £24.5m (£22m); U.S. £433.1m (£334.2m) and £14.8m (£18.8m); rest of world £89.6m (£64.4m) and £5.3m (same).

The tax charge was £6.8m (£11m) and, with an extraordinary debit this time of £0.8m, the balance available for distribution fell by £7.5m to £13.2m.

On a CCA basis the pre-tax result is stated at £5.8m compared with £14.5m.

See Lex

EUROTHERM RIGHTS 98.8% ACCEPTED

The recent rights issue by Eurotherm International has been accepted in respect of 1.89m shares, or 98.8 per cent. Shares not taken up have been sold in the market at 500p a share. The premium will be distributed to entitled shareholders.

£2.7m Burmah downturn after first six months

FOR THE first half of 1982 pre-tax profits of Burmah Oil dropped from £33m to £30.3m. Turnover for the period rose by £45.4m to £719.8m, net of duties.

At the attributable level, however, there was a turnround from losses of £56.5m to profits of £5.2m. These were struck after deductions of £22.6m (£23.5m) for tax, £0.6m (£1m) for minorities and £1.9m, against £65m for extraordinary items.

Earnings per £1 share, pre-extraordinary debits, declined from 5.56p to 4.58p but the net interim dividend is being held at 1.5p—a final of 7p was paid for the 1981 year when taxable profits totalled £82.3m, an increase of 32 per cent on the previous year.

The directors say the full 1982 outcome remains uncertain, although seasonal factors normally produce some improvement in the second six months.

They point out that world trading conditions continue to be "very depressed" and that at present there are no signs of significant improvement in any of the major markets in which Burmah operates. The tanker market remains extremely difficult, the directors add.

First-half profit before tax by class of business shows: exploration and production £19.5m (£20.6m); lubricants and fuels £21.8m (£21.6m); retailing and distribution loss £2.3m (loss £1.8m); shipping £2.9m (£2.6m); speciality chemicals £1.4m (£2m); investment division loss £1.9m (profit £0.3m); Quinton Hazell £2.5m (£1.6m). Unallocated central expenses took £4.4m (£3.4m), investment income £2.4m (£1.8m) and net interest £11.6m (£12.3m).

The increase in unallocated central expenses was due to a number of special factors. These included higher contributions to pension funds, increased office costs through the establishment of a regional office in the U.S. and bank charges and commitment fees.

Investment income included Croda's final dividend.

The extraordinary items included costs of £3.7m relating to the cancellation of a long-term shipping charter, partly offset by gains on the sale of sundry assets.

Sir Alastair pointed out that the world-wide recession had not been as deep as in Britain although it had been severe, particularly in major European markets and the U.S. He said the group was broadly on budget, and throughout business was benefitting from efficiency improvements and the elimination of certain loss-making activities.

In June Sir Alastair Down, the chairman, reported that the UK company had yet to see any significant increase in demand. Improvement, he added, would be slow and would probably not apply equally in all sectors.

First half profits on a CCA basis were £26m before interest and tax.

● comment

After a brave spurt at the end of last year, Burmah Oil has slipped back to look like a company still greatly in need of the kind of new blood that the abortive bid for Croda was designed to give it. The only division that registered a significant first half increase at pre-tax level was Quinton Hazell—and this is scheduled for resale under the new strategic plan. By contrast, profits in speciality chemicals, selected as one of the key growth areas, fell to £1.4m against £2m in the same period of last year, while the Castrol lubricants business, after an impressive performance last year, only managed a marginal improvement. In addition, the oil tanker fleet lost £3m, and the West German caravan manufacturing business another £2.6m. For the time being, Burmah's oil exploration and production business is performing reasonably strongly, but its income from the Thistle field is expected to go into decline in two to three years' time. This prospect underlines the need to buy growth, but, in the meantime, with markets still depressed, profits are likely to be down on last year. The shares fell 17p to 135p on this outlook yesterday, giving a prospective yield of 9 per cent on a maintained dividend.

Eagle Star surplus down £14m as underwriting losses soar

DESPITE HIGHER investment income, up from £42.3m to £47.9m, greatly increased underwriting losses—£35.8m against £14m—have eroded the pre-tax profits at Eagle Star Holdings. The surplus before tax was £14.5m lower at £24m in the half-year to June 30 1982. The figures are estimated.

Underwriting losses in the UK and Republic of Ireland soared from £9.2m to £28.3m, in Australia they rose from £2m to £2.9m, in Belgium the loss was £2m against £1.2m, the U.S. loss rose from £400,000 to £900,000. In South Africa losses were reduced by £400,000 to £300,000. Other territories' losses rose by £100,000 to £600,000.

Shareholders' life profits improved from £5.9m to £7.2m, while the pre-tax profits of Grovewood Securities, the industrial subsidiary, moved ahead to £6m (£5.2m). The net surplus after tax and minorities, down from £18m to £[illegible]6m, was £13.4m (£20.5m).

The interim dividend is unchanged at 7p—last year's total was 15p net from pre-tax profits of £73.8m.

Premium income in the opening half, excluding life, was just under £10m higher at £256.3m (£246.4m).

The directors say there was a sharp deterioration in underwriting experience in the UK due, in the main, to claims arising from the severe weather in early January. Premium income is almost unchanged largely because of pressure on rates and policy of not competing for business at uneconomic levels.

They say there were substantial losses in both commercial fire and "all-in" accounts which were most affected by the bad weather early in the year. In the liability account claims, costs continue to rise and there has been an increase in the incidence of industrial disease claims.

Provisions for byssinosis claims at the beginning of the year now appear to be inadequate, they say. Additional provisions have been made, but notification patterns in the second half year make it necessary for further amounts to be set aside at the year-end.

The motor account showed an improving trend.

There is some indication that the attitude towards premium rates in Australia is hardening, but results continue to be disappointing.

Bad weather also affected the result in the U.S.

Business written in the London market, including marine and aviation, remains difficult and the scale of losses worldwide must affect the results of all reinsurers.

New worldwide annual premiums totalled £16.9m (£22.8m) of which £11m (£17m) arose in the UK.

Worldwide new single premium business was £56.9m (£39.6m) of which £43.1m (£28.2m) arose in the UK.

Reduction in new annual premiums reflects difficult trading conditions in the UK, in particular, the growth in group pensions and group life business has declined in line with the economic recession.

Group life business has been further hit by fierce competition in this sector of the market which in turn has led to rates which the board considers are completely uneconomical.

On the other hand, new annual premium business for individual life policies and individual pensions' business has shown a reasonable increase and single premium business has risen significantly, mainly reflecting growth in annuity and income bond business.

Eagle Star says that total provisions made at the end of last year in respect of all late reported claims, including byssinosis, was £70m.

Mr Graham Lockwood, general manager, adds that a byssinosis claim could be £10,000 a case. The greater public exposure to the problems of the disease has resulted in an increase in claims, which in the UK now exceeded those for asbestosis.

He says Eagle Star has been settling claims for the disease for several years, "they are not costing a great deal of money."

See Lex

Yearlings total £14.6m

Yearling bonds totalling £14.55m at 10⅞ per cent redeemable on September 21 1983 have been issued this week by the following local authorities.

Broxtowe District Council £0.5m; Dunfermline DC £1m; Etterick and Lauderdale DC £0.25m; Hackney (London Borough of) £1m; Lothian Regional Council £1m; South Bedfordshire DC £0.25m; Hyndburn (Borough of) £0.5m; Newham (London Borough of) £0.75m; Preseli DC £0.25m; Wansbeck DC £0.3m; Welwyn and Hatfield DC £0.5m; West Lancashire DC £0.25m; Dundee DC (City of) £1m; Walsall Metropolitan Borough Council £1m; Ealing (London Borough of) £1m; West Yorkshire Metropolitan County Council £0.5m; Islington (London Borough of) £2m; South Yorkshire CC £0.25m; Epsom and Ewell (Borough of) £0.25m; Lichfield DC £0.25m; Newcastle Upon Tyne (City of) £1.5m; Tamworth (Borough of) £0.25m.

Kettering BC and East Hertfordshire DC have each issued £0.2m and £0.5m respectively of 11¾ per cent bonds for redemption on September 9 1987.

A total of £750,000 of four year bonds carrying a coupon of 11⅝ per cent have been issued by Basildon DC £0.5m and Kettering BC £0.25m. The bonds are redeemable on September 10 1986.

Two year bonds at 11 per cent redeemable on September 12 1984 totalling £2m have been issued by Tweeddale DC £0.25m; Lambeth (London Borough of) £1m and Wellingborough DC £0.75m.

Jones & Shipman deep into red as upturn in orders peters out

FOR THE six months to June 30 1982 Jones and Shipman, maker of high precision tools, plunged sharply into the red, incurring a pre-tax loss of £497,000, compared with a profit of £327,000 for the corresponding period last year.

The net interim dividend is being cut to 0.4p (0.75p). There was a loss per 25p share of 2.9p, against earnings of 3p previously. For the 1981 year total dividends of 1.8p were paid.

The directors say the modest upturn in orders experienced in the early months of the year has petered out. They add that trading conditions in most of the group's markets, particularly in the UK, are "very depressed" and orders are "extremely difficult to obtain."

Their view of trading for the remainder of the year is that it appears "most unsatisfactory."

First-half turnover dropped from £8.84m to £6.98m. There were tax credits of £151,000 (£31,000), and extraordinary debits of £143,000, compared with £211,000, for redundancy and termination costs. Minority credits last year amounted to £3,000.

In his statement earlier this year the chairman said orders to date were at a higher level than for the corresponding period in 1981 with exports more buoyant than the home market. He added that the workforce had been further reduced

● comment

Jones and Shipman openly admits that there is no way it can avoid a second-half loss. It has suffered badly from the almost total lack of demand for new machines on the domestic front—those companies that are replacing their machinery are buying it secondhand from others that are closing down. And in the export market, which accounts for more than half of the company's sales, demand slumped in the second quarter of this year. At its current level of output (with the workforce on a four-day week), three or four months' work would exhaust its orders. In order to shift any machines, the company has been forced to cut prices, which has reduced profit margins by 4-5 per cent. But to its credit, Jones and Shipman is doing no worse than other firms in the industry and is working hard to improve its position through cost-cutting and the development of new models. It also has the advantage of a solid balance-sheet with very low gearing. All the same, with shares at 32p, its market capitalisation is a paltry £3.78m—less than half the value of just stocks and work in progress—and if the final dividend is reduced in line with the interim one, the yield will still only be a little over 4 per cent.

THE TRING HALL USM INDEX
128.8 (−1.4)
Close of business 15/9/82
Tel: 01-638 1591
BASE DATE 10/11/80 100

LADBROKE INDEX
576-581 (−7)

J. Hewitt ahead and optimistic for future

FOR THE first six months of 1982, J. Hewitt & Son (Fenton), raised its taxable profits to £92,000, compared with £64,000 for the same period last year, on turnover £196,000 higher at £2.19m, an increase of some 10 per cent.

Mr D. K. Hewitt, the chairman, says that trading conditions continue to be difficult with varying demand and lower profits margins while bank borrowings are running at a higher level with a corresponding increase in interest costs.

Nonetheless, he says, he remains hopeful that the full 1982 results will match those of the previous year—pre-tax profits for 1981 totalled £374,000. The group makes industrial and domestic refractories.

The net interim dividend is held at 0.45p: stated earnings per share were 2.8p (1.5p). A final of 1.5p was paid previously.

Interest charges for the half-year rose from £10,000 to £30,000. Tax took £15,000 (£17,000) leaving net profits £30,000 ahead at £77,000. Available profits emerged at £64,000 (£34,000) after preference dividend payments of £13,000 (same).

On a CCA basis pre-tax profits were £4,000 (£19,000 loss).

BAT Singapore shows doubled earnings

Doubled earnings were shown at British-American Tobacco Company (Singapore) in the first half year to June 30 1982.

Group pre-tax profit was 104 per cent higher at S$10.76m while post tax profit rose 100 per cent to S$6.49m. Turnover rose by only 16 per cent to S$63m.

BAT Singapore, which is a member of the BAT Industries Group of the UK attributed the rise to higher exports and duty-free sales, improved productivity and beneficial effects on imported costs from a strong Singapore dollar.

BAT Singapore has declared a gross interim dividend of 8 cents per share.

BREVILLE OVERSUBSCRIBED

Breville Europe's recent offer for sale closed yesterday at 10.01 am oversubscribed. The basis of allotments will be announced today.

£6.8m interim shortfall at L & G

TAXABLE PROFITS of the Legal & General Group plunged to £12.8m for the first six months of 1982, a downturn of £6.8m on the £19.6m returned for the corresponding period last year.

Underwriting losses rose sharply from £4.6m to £15m and investment income fell by £2.9m to £12.7m. Long-term profits improved from £7.5m to £13.9m after tax.

The group is lifting its net interim dividend by 0.5p to 4.5p per 25p share—a final of 9p was paid for 1981 from pre-tax profits of £36.3m. Half-year earnings per share were up from 9.22p to 9.33p.

Profits at the attributable level improved marginally by £0.2m to £14m after a tax credit this time of £1.2m (£5.7m charge)—minorities accounted for £0.1m previously.

The directors say investment income of shareholders and short-term funds was substantially affected by borrowings and the realisation of assets required to finance the Gelico acquisition. Without these, investment income would have shown an increase of approximately 20 per cent over previous half year, reflecting growth in operating funds and a continuation of high rates of interest during the first half of year.

Dividend and rental increases also contributed.

Since the Gelico acquisition, marketing activity has led to a recent launch of the first of a new range of products. Premium income, although temporarily held back by the termination of certain existing lines of business, is planned to develop strongly from 1983 onwards.

The considerable growth of premium income for long-term business (worldwide total was up from £273.1m to £298.1m) stems mainly from Zimbabwe.

Competition in the general insurance markets remains fierce worldwide and "there are as yet no signs of any real upturn."

In the short-term business, competition remains intense for all classes with commercial property and motor business particularly affected. However, private car results showed a significant improvement following last year's remedial action. The commercial business result was also satisfactory.

The directors hope that the second half will produce an improvement over the first, but expect that the result for the full year will be worse than 1981.

In individual life, the main new business growth recorded so far this year was in individual pensions and mortgage protection. The rest of the year is expected to produce a similar pattern.

● comment

Legal & General's general insurance business was a nightmare in the first half, but presumably not scary enough to prompt the company to hold the interim dividend at 4p. The shares dropped 10p on the day where at 298p, the yield is 7.1 per cent, assuming a similar increase in the final. This is a premium to the sector and surely soothed a few worried brows in the City yesterday. But can a similar increase in the final be comfortably expected? The encouraging factors in these results are the modest, but unexpected, contributions from Gelico and the good results from the life side. The bad news, which is truly awful, was the £4.6m underwriting loss from Victory, compared to £1.5m last time, which contributed to the tripled underwriting loss of £15m. Some £6m of this was due to exceptional claims, but there's nothing to stop a recurrence of some exceptional claims to fall from the heavens this winter as well. Reinsurance has to remain a question mark at best for the rest of the year, while the UK premium income on pensions should be weakening with continued recession and the falling inflation rate. The interim dividend hike may, by the end of the year, look a bit exposed.

Berkeley Exploration deficit at £0.5m for first six months

FOR THE first half of 1982 Berkeley Exploration and Production, which came to the USM last month, incurred losses before tax of £513,000 against £235,000. These were after interest up from £45,000 to £121,000 and U.S. exploration interests written-off totalling £216,000.

Before extraordinary items the loss per £1 share was 9.84p (6p) and no dividend is being paid. Tax took £6,000 (£7,000) and there were minority losses of £31,000 (£4,000).

An amount of £124,000 paid on the termination of a management agreement has been charged as an extraordinary debit.

The directors report that operating loses relate principally to overhead costs arising in connection with North Sea exploration. all other exploration expenditure is capitalised.

The rights issue at the end of August was successfully concluded and bank borrowings of £1.45m have been repaid.

The company's progress is in line with that indicated in a recent circular, they state.

● comment

Berkeley remains on the path it charted out at the time of the rights issue in July. Some £3m remains in the balance sheet (after borrowings were reduced to nil from £1.5m), so the interest payable line should be wiped out in the full year. There could be more U.S. write-offs, however, which makes predicting full-year figures a risky business. In fact, with no income from the North Sea expected this year or next, any predictions for Berkeley have to be largely speculative ones. The company has two promising, if small, stakes in two adjoining North Sea blocks, but development of these assets is some years off. Despite the recent rights issue, th company is not financially robust enough to carry out an aggressive development programme in the North Sea. The shares, down 5p to 153p, are buoyed by the 30 per cent Elf participation.

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Amal. Metal	int.	nil	—	2	—	2
Banro	int.	0.58	Nov. 1	0.58	—	3.3
Bowater	int.	4.25	Nov. 8	4.25	—	11.5
Burmah Oil	int.	1.5	Dec. 31	1.5	—	8.5
Danish Bacon	int.	nil	—	2	—	3.5
Eagle Star	int.	7	Jan. 14	7	—	15
Expamet	int.	2	Nov. 26	2	—	4.5
J. Hewitt	int.	0.45	Nov. 3	0.45	—	1.95
Jones and Shipman	int.	0.4	Oct. 15	0.75	—	1.8
Legal and General	int.	4.5	Jan. 4	4	—	13
Midland Inds.	int.	1.1	Nov. 10	1.1	—	2.6
Montfort (Knit.)	int.	nil	—	1	—	1
New Equipment	int.	0.35	Oct. 28	0.35	—	1.05
G. H. Scholes		14	—	12.52	20	16.52
Thomas Tilling	int.	3.5	—	3.5	—	8
Utd. Real Prop.		4.75	Nov. 4	4.75	6	6

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM Stock.

IN BRIEF

ARBUTHNOT DOLLAR INCOME TRUST—Firth interim dividend, 4 cents in lieu of final, making 17.2 cents for period to June 30, 1982. Gross revenue $672,571; net revenue $586,400 after all charges.

PARKFIELD FOUNDRIES—Results for year ended May 1 1982 reported September 2. Shareholders' funds £876,278 (£859,287); fixed assets £523,964 (£479,365); net current assets £627,059 (£710,638). Meeting, Stockton-on-Tees, October 13, 4 pm.

Eastern Intl. has first-half downturn

A fall from £352,000 to £194,000 in pre-tax profits is reported by Eastern International Investment Trust, for the half year to March 31 1982. Gross income of this subsidiary of Trafalgar House, dropped from £431,000 to £277,000.

The pre-tax figure was struck after interest charges unchanged at £71,000. There was no tax charge this time against £124,000 in the corresponding period last year.

Improvement for New Equipment

Taxable profits of New Equipment, a manufacturer of tubular steel furniture, rose from £92,907 to £173,078 for the six months ended April 30 1982. Turnover moved ahead to £1.41m, compared with £1.14m.

After tax of £85,000, against £41,000, stated earnings per 10p share emerged at 4.4p (2.5953p), although the net interim dividend is being held at 0.35p.

In his statement covering the 1980-81 year, the chairman said no radical improvements in conditions were envisaged for the current year.

Expamet back near £1m and trend will continue

APPROACHING THE £1.1m achieved in the first half of 1980 and accelerating the growth seen since the small loss incurred in the second half of that year, pre-tax profits of Expamet International, formerly Expanded Metal Co., jumped from £376,000 to £930,000 in the six months to June 30 1982.

In addition, despite demand for the group's products not strengthening as was hoped for, particularly in the U.S., the directors report that current indications are that the steady recovery trend seen will continue for the remainder of the 12 months.

The profit drains of West Midland Steel Stockholders and Blevex have been eliminated, they say, and the group's future will depend upon the continuing increase in efficiency of existing operations, all of which are currently profitable.

The net interim dividend is held at 2p, last year's total of 4.5p being paid from profits of £1.16m.

First half turnover showed a downturn from £15.65m to £13.87m, while trading profits improved from £690,000 to £1.16m. Before tax profits included a higher contribution of £75,000 (£49,000) from the Australian associate, but they were after a £168,000 (£133,000) loss at Blevex, interest of £67,000 (£238,000) and a non-trading loss of £69,000 (£8,000 profit). Tax took £372,000 (£115,000).

Virtually the whole interest charge arose in the first quarter, before the first two payments in respect of the sale of West Midland Steel Stockholders were received. At August 31 1982 cash net of borrowings were £163,000. Shareholders equity stood at £18.9m.

The third and final payment, of £1.2m in respect of the sale is due on March 31 next.

With one small exception properties falling vacant as part of the rationalisation programme in the latter months of 1981 have now been disposed of.

At the Blevex subsidiary it had been expected that sales would make sufficient progress in 1982 to reinforce hopes that break-even could be achieved in 1983. This has not happened and the prospect under prevailing conditions would be for continuing losses in 1983 and 1984.

The equal partners in the venture, Expamet International and John Laing, decided this was unacceptable.

The joint company therefore ceased trading on July 31 1982 and is being wound up.

The group is negotiating the acquisition of certain fixed assets of Blevex with a view to continuing to offer selected products through its existing sales organisation, the directors report.

The effect on 1982 accounts will be a trading loss of some £196,000 (£168,000 at the half year) and a write-off [illegible] line as an extraordinary item of between £200,000 and [illegible].

Linfood Hldgs. predicts raised dividend

AN INCREASE in the [illegible] dividend was announced by Mr Alec Monk, chairman of Linfood Holdings at the annual meeting.

To ensure that convertible loan stockholders had the [illegible] possible information [illegible] to base a decision [illegible] not to exercise their [illegible] convert, he said that the [illegible] which will be declared [illegible] December 1982 and paid [illegible] February 1983, would [illegible] compared with 5p last year.

Holders of the [illegible] wish to take the option [illegible] converting and holding [illegible] shares. They would [illegible] gross as interest [illegible] loan stock against a [illegible] dend of 15.5p per ordinary [illegible]—assuming that the total dividend remained unchanged. Mr Monk said this would [illegible] higher income.

ASSOCIATE DEAL

Grieveson, Grant and Co. as associates of [illegible] Property Group, purchased 150,000 ordinary of Howard Tenens Services at [illegible] per share, and 100,000 further ordinary at 64p on September 14.

COODEN BEACH

Mr Angus Shields, chairman and managing director of Shields Hotels (Cooden Beach) has announced that Normanernorn has contracted to acquire the Cooden Beach Hotel company.

Normanernorn is a property investment company based in Bexhill whose directors are local businessmen.

Marks Canada loss rises

For the 26 weeks to July 31 1982, Marks and Spencer Canada, a subsidiary of the UK retailing group, reports an increase in losses from C$1.3m to C$2.25m, equivalent to 43 cents against 25 cents per share.

An interim dividend of 10 cents is to be paid and the directors say results were in line with plan. If this plan is achieved for the balance of the year, earnings for the 12 months will show an improvement over the corresponding period.

First half sales rose from $92.13m to $107.1m and there were operating losses of $275,000 ($349,000 profit), before interest and corporate expenses of $1.97m ($1.45m).

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims: William Baird, Bifurcated Engineering, Booker McConnell, Britannia Arrow, British Mohair Spinners, Camrex, William Collins, Guest Keen and Nettlefolds, House Property Co. of London, KCA International, Magnolia (Mouldings), Ransomes Sims and Jefferies, Sale Tilney, Sedgwick, George Spencer, Steetley, Thomas Barlow, UDS.

Finals: Estates Property Investment, Harvey and Thompson, B. Paradise, Westpool Investment Trust.

FUTURE DATES

Interims:

A P V	Sept 23
Bradford Property Trust	Nov 2
Edinburgh Investment Trust	Oct 11
Hyman (I. and J.)	Sept 28
Menders	Sept 30
Metalrax	Sept 27
North British Canadian Invest.	Oct 1
Owen Owen	Sept 23
Planet	Sept 27
Rowntree Mackintosh	Sept 23

Companies and Markets

BIDS AND DEALS

CH Inds. sells 50% of Tudor Webasto

C. H. Industrials, the industrial holding company, has completed arrangements to sell 50 per cent of the Tudor Webasto Sun Roof distribution business to its partner Webasto GmbH. The total cash generated from the sale amounts to about £400,000. CHI acquired the independently-owned Tudor Webasto for £190,000 in January.

Webasto GmbH is the largest sun roof manufacturer in the world with annual sales of DM 220m. It is the sole supplier of sun roofs to such companies as Ford of Europe, BMW, Mercedes and Opel. The deal gives Tudor Webasto access to the products and technology of Webasto GmbH and should enable CHI to open up considerable opportunities in the UK original equipment market.

CHI has agreed terms with its partners, Crouch Group to acquire its 50 per cent holding in Codec-GRC for a nominal consideration. The company was founded in 1980 and it has now developed a range of glass reinforced concrete products. Turnover now exceeds £500,000 per annum, and the business has a promising future, says Mr Tim Hearley, chairman of CHI.

Since its year-end in April, CHI has disposed of its Eaton Bray factory to an incoming tenant at the book value of £400,000.

GARTONS/ST MELLION

Gartons, the potato breeding and agricultural services company has announced that its two recently established subsidiaries, Gartons Financial Services and Gartons Properties, are negotiating an agreement to act as consultants to the time share community at St Mellion Golf and Country Club near Plymouth.

The club comprises an hotel, restaurant and bars with squash, badminton and swimming facilities and an 18 hole golf course. It plans a new project involving a second 18 hole course to be designed by Jack Nicklaus, and a new "leisure community" comprising 50 Canadian style lodges to be sold on a time share basis.

New look planned for Change Wares

BY RAY MAUGHAN

AFTER ANOTHER year-and-a-half of heavy trading losses and capital write-offs, Change Wares is preparing to undergo a further reconstruction and cash injection to underpin its "ultimate return to profitability."

The group is currently engaged in steel stockholding and wire working and as such lost £340,000 in 1981 before tax and extraordinary provisions of £765,000. The subsequent six months were no better, showing a loss of £357,000 before extraordinary debits of £121,000. Worse, losses of £176,000 have been indicated for July and August.

The December balance sheet showed that net worth of £825,000 had already been submerged by term debt of £400,000, short-term borrowings of £200,000 and a £1.73m bank overdraft. In May last year, the capital base was reconstructed before a £700,000 rights issue.

The deal it has struck to secure the badly needed source of new finance entails substantial dilution for shareholders and means, in short, that Change Wares is to become the UK distribution arm for a U.S. manufacturer of commercial catering equipment.

The route Change Wares is to take, given shareholders' approval, is not uncomplicated but essentially the group is to buy a company called IFES, based in Florida, which sells a range of catering facilities outside North America.

At present this equipment is produced by a division of a listed U.S. group, Bastian Industries, but it is envisaged that this division will be sold at the end of this month to a new private company, formed for this purpose, BIH.

BIH will become a major supplier to Change Wares and deferred trade debt, £300,000 of additional equity and £300,000 of 16 per cent convertible loan stock at par. Interest on the stock will be compounded monthly for the first two years.

The upshot is that BIH will control up to 64 per cent of Change Wares' equity on full loan stock conversion and the exercise of warrants. The Takeover Panel has agreed to waive the usual requirements for a full bid undr Rule 34 of the City Code.

IFES made profits of £220,000 on sales of £2.3m in the year to January although supply difficulties, apparently new solved, cut profits in the following five months to £42,000 before tax.

The enlarged group, after the extraordinary meeting convened for October 6, will have net tangible assets of £489,000 which would otherwise stand at just £159,000 given post balance sheet losses.

Term debt, including the new loan stock, would be £500,000 and bank borrowings, including term debt repayable within 12 months, would be £1.61m.

Change Wares intends to change its name to Bastian International.

Raglan Property to buy Kvaerner House for £1.2m

Raglan Property Trust has entered into a conditional agreement to purchase the freehold property and building known as Kvaerner House, Gray's Place, Slough, for a consideration of £1.19m.

The consideration will be satisfied as to £50,000 in cash, which has already been paid by way of a refundable deposit, and as to the balance by the allotment to Snostone Properties SA, the vendor of Kvaerner House of 15.13m new ordinary shares of 1p each of Raglan credited as fully-paid. Of these new ordinary shares, 14.10m have been conditionally placed with five institutional investors at a price of 7.5p per share.

At the same time, and in order to cover the deposit already paid by the company and to provide for the expenses of this acquisition and the associated offer to shareholders, the same institutional investors have conditionally subscribed a further 2.67m new ordinary shares at the issue price, thus raising £200,000 before expenses for Raglan.

Subject to all the conditions of the acquisition being satisfied at the EGM it is proposed to offer shareholders on the register at the close of business on September 10, 1982, an opportunity to acquire on a seven-for-17 basis at the placing price of 7.5p per share the 16.86m new ordinary shares which are to be placed with or subscribed by the institutional investors.

The new ordinary will be provisionally alloted immediately following the EGM, and it is expected that renounceable Letters of Offer will be despatched to shareholders afterwards.

The new ordinary will rank pari passu in all respects with the existing ordinary shares and dealings (nil paid) are expected to commence on October 11 1982. The latest time for acceptance and payment in full is expected to be 3 pm on October 29.

In his annual statement, Mr D. M. Anderson, the chairman of Raglan, says the company has so far been unable to conclude a satisfactory agreement to re-establish direct control of the Bournemouth-Swanage Motor Road and Ferry Company.

He says the board has always felt that it would be desirable to recover this long-standing asset of the group. It is clear, he says, that on a commercially prudent view of the situation, it is not now possible to proceed at the currently indicated price for the redemption of the shares.

Looking ahead, Mr Anderson says that with a secure and growing capital base, a strengthened financial structure, the group is now well poised for the future. Provided the current progress of the group is maintained, it is the board's intention to recommend the payment of a dividend for the year 1982-83.

As known, pre-tax profits rose from £108,988 to £383,382 in the year to March 31 1982. At the year-end, shareholders' funds rose from £698,464 to £2.25m. Fixed assets were £1.87m (£518,279), and current assets were £1.29m against £252,131. Net increase in working capital was £253,322 against £82,811.

Meeting: Ironmongers' Hall, Aldersgate Street, EC, October 8 at 11 am.

JOINT VENTURE BY BRIDON

Bridon, the wire, rope and engineering group, and R K Textiles, a UK carbon fibre technology company, have signed an agreement to co-operate in high performance composites and to develop the application of carbon fibres and related materials.

This co-operation will be undertaken by a new subsidiary, Bridon Composites, requiring an estimated £600,000 of plant and equipment and having a design and development budget of £150,000.

Bridon will subscribe £100,000 for a minority shareholding in R K Textiles' subsidiary, R K Carbon Fibres.

Bridon Composites is due to start operations early in 1983.

TARMAC BUILDING PRODUCTS/BRADY

Resolutions to enable the capital reorganisation of Brady Industries have been passed at general meetings of the company.

All conditions of the offers by Tarmac Building Products for the ordinary and "A" ordinary shares of Brady have therefore been satisfied and accordingly have become unconditional in all respects. They remain open until further notice.

KENDAL EXPANDS

Kendal Computer Group has purchased Alfalogic involving an investment in excess of £100,000 to cater for future development and expansion of this company.

ANDREW WEIR

Andrew Weir and Co, owner and manager of The Bank Line, has agreed in principle to acquire East Asiatic Company's 50 per cent shareholding in United Baltic Corporation, which will become a wholly-owned subsidiary. East Asiatic is based in Copenhagen.

SHARE STAKES

W. Williams and Sons—C. Phillips, a director, has sold 25,000 ordinary shares, reducing holding to 99,945.

Rentokil Group — Sophus Berendsen A/S has acquired 25,000 ordinary shares, increasing holding to 52.98m (55.4 per cent).

Cronite Group—Coast Investment and Development Company is now the beneficial holder of 375,000 ordinary (6.67 per cent) as enlarged by rights issue.

Senior Engineering Group—As a result of recent purchases, the interest of the Prudential Corporation has now been increased to 5.55 per cent.

Cookson Group — Perelle Nominees has disposed of 180,000 4.9 per cent preference ordinary shares, reducing holding to 61,762 (6.8 per cent but less than 1 per cent of total capital in issue).

Metal Closures Group—Norwich Union Life Insurance Society is interested in 1.13m ordinary shares (5.36 per cent).

LONDON TRADED OPTIONS

September 15 Total Contracts 1,977 Calls 1,260 Puts 688

Option	Ex'rcise price	Oct. Closing offer	Oct. Vol.	Jan. Closing offer	Jan. Vol.	April Closing offer	April Vol.	Equity Close
BP (c)	260	34	—	46	—	58	2	290p
BP (c)	280	12	5	50	55	44	—	"
BP (c)	300	9	58	20	—	32	2	"
BP (c)	330	5	4	10	—	20	—	"
BP (p)	260	0	0	0	10	12	—	"
BP (p)	280	7	85	12	25	20	—	"
BP (p)	300	17	103	24	70	02	10	"
BP (p)	330	42	1	44	—	48	10	"
CU (c)	140	8½	—	7	—	13	5	166p
CU (p)	130	7	—	2	85	2	5	"
Cons. Gld (c)	560	95	2	100	—	—	—	452p
Cons. Gld (c)	390	00	142	70	—	80	2	"
Cons. Gld (c)	420	40	50	50	—	55	—	"
Cons. Gld (c)	460	18	17	55	5	40	—	"
Cons. Gld (c)	500	8	18	22	85	30	—	"
Cons. Gld (p)	460	30	28	50	—	60	—	"
Cons. Gld (p)	500	78	5	77	—	80	—	"
Ctlds. (c)	70	5	—	8	12	15	4	70p
Ctlds. (p)	70	4	—	7	4	8	—	"
Ctlds. (p)	80	13	7	14	41	16	—	"
GEC (c)	1100	75	8	100	11	140	—	£11½
GEC (c)	1200	27	9	62	46	92	—	"
GEC (p)	1100	20	8	35	—	45	—	"
GEC (p)	1200	70	8	85	—	95	—	"
Gr'd Met. (c)	260	18	84	27	—	33	—	274p
Gr'd Met. (c)	280	2	35	15	10	24	—	"
Gr'd Met. (c)	300	4	8	10	80	15	1	"
Gr'd Met. (p)	260	5	43	8	23	16	—	"
Gr'd Met. (p)	280	10	15	21	15	25	1	"
Gr'd Met. (p)	300	51	—	55	27	40	—	"
ICI (c)	360	48	—	58	3	64	—	304p
ICI (c)	280	50	1	40	5	46	8	"
ICI (c)	500	11	26	24	13	32	2	"
ICI (c)	330	2½	4	11	12	14	—	"
ICI (p)	260	3	—	5	5	2	—	"
ICI (p)	280	5	10	10	—	14	—	"
ICI (p)	500	11	—	17	1	22	—	"
Land Sec. (c)	300	8	80	15	—	22	—	276p
Land Sec. (p)	280	11	1	16	—	18	—	"
Mks & Sp. (c)	140	54	10	57	4	—	—	191p
Mks & Sp. (c)	160	34	15	38	—	43	5	"
Mks & Sp. (c)	180	15	60	18	4	24	5	"
Mks & Sp. (c)	200	6	2	10	57	14	5	"
Mks & Sp. (p)	180	0	—	7	—	2	1	"
Mks & Sp. (p)	200	14	10	16	—	18	—	"
Shell (c)	560	00	88	64	3	74	—	418p
Shell (c)	390	30	20	40	—	48	—	"
Shell (c)	420	12	86	22	5	28	1	"
Shell (p)	460	0	—	8	4	14	—	"
Shell (p)	360	3	4	5	—	9	—	"
		November		February		May		
Barclays (c)	390	7	10	17	—	28	—	363p
Imperial (c)	100	4	8	7½	—	9½	—	100p
Imperial (p)	100	6	3	8	—	8½	—	"
Lasmo (c)	300	70	50	94	5	110	—	364p
Lasmo (c)	330	50	1	70	—	90	—	"
Lasmo (c)	360	32	10	05	—	72	—	"
Lasmo (c)	390	18	14	38	—	80	—	"
Lasmo (p)	360	16	1	26	—	38	—	"
Lasmo (p)	390	37	10	47	—	57	—	"
Lonrho (c)	70	17	—	19	1	—	—	83p
Lonrho (c)	80	8	1	12	—	14	—	"
Lonrho (c)	90	4	13	0½	5	8	9	"
Lonrho (c)	100	1½	—	0	—	4	23	"
Lonrho (p)	70	1	5	2	—	—	—	"
Lonrho (p)	100	18	15	18	—	20	—	"
P & O (c)	130	11	1	18	—	20	—	135p
P & O (p)	140	10	5	15	—	17	—	"
Racal (c)	390	200	4	210	—	—	—	580p
Racal (c)	420	170	—	180	4	—	—	"
Racal (c)	500	93	1	110	10	185	—	"
Racal (c)	550	53	28	68	—	88	—	"
Racal (c)	600	17	25	50	17	65	—	"
Racal (p)	550	18	0	85	—	53	—	"
Racal (p)	600	42	—	47	2	65	—	"
RTZ (c)	350	102	—	110	2	—	—	418p
RTZ (c)	390	50	0	60	—	65	—	"
RTZ (c)	420	28	2	42	—	50	—	"
RTZ (c)	460	10	4	22	5	30	—	"
RTZ (p)	390	10	34	16	—	20	—	"
RTZ (p)	420	28	8	32	—	42	—	"
RTZ (p)	460	62	2	62	—	70	—	"
Vaal Rfs. (c)	50	21½	8	22½	—	24	—	$70
Vaal Rfs. (c)	55	18½	1	18½	—	21	—	"
Vaal Rfs. (c)	60	12	7	15½	—	15½	1	"
Vaal Rfs. (c)	70	0	12	10½	—	12½	—	"
Vaal Rfs. (p)	45	½	—	1	10	—	—	"
Vaal Rfs. (p)	50	¾	—	8	10	2½	—	"
Vaal Rfs. (p)	70	7	0	8½	—	8½	—	"

C=Call P=Put

EUROPEAN OPTIONS EXCHANGE

Series		Nov. Vol.	Nov. Last	Feb. Vol.	Feb. Last	May Vol.	May Last	Stock
GOLD C	$375	1	85	—	—	—	—	$444
GOLD C	$400	14	60	—	—	—	—	"
GOLD C	$420	—	—	10	65	—	—	"
GOLD C	$450	38	32.50	—	—	—	—	"
GOLD C	$475	58	25	10	43 A	10	51	"
GOLD C	$500	60	15	81	50	—	—	"
GOLD C	0050	31	8	27	15	50	29	"
GOLD P	$350	10	0	—	—	100	10	"
GOLD P	$400	27	11	10	20	—	—	"
GOLD P	$425	89	18	—	—	8	82	"
GOLD P	$450	7	30	5	36 B	58	42	
GOLD P	$475	—	—	40	50	—	—	"
GOLD P	$500	2	60	—	—	—	—	"
18¾ NL 81 87-91								
C	F.110	100	5	—	—	—	—	F.115
C	F.112.50	200	8.60	0	2.60	—	—	"
C	F.115	105	0.80	—	—	—	—	"
10¾ NL 80 86-95								
C	F.102.50	300	1.40	—	—	—	—	F.103.50
P	F.100	—	—	—	—	200	1.10	"
P	F.102.50	000	1	—	—	—	—	"
11¼ NL 82 88-92								
C	F.102.50	—	—	4	5.10	—	—	F.105.40
C	F.105	500	0.80	—	—	50	2	"
P	F.105	500	1.20	—	—	—	—	"
10 NL 82 86-89								
C	F.102.50	350	—	—	0.70	—	—	F.100.60
10½ NL 82 85-89								
P	F.102.50	—	—	—	—	100	2.80	F.101.60
		Oct.		Jan.		April		
ABN C	F.240	11	2.30	—	—	—	—	F.229
ABN C	F.260	—	—	15	2.60 B	—	—	"
ABN P	F.220	—	—	14	8	—	—	"
ABN P	F.240	—	—	—	—	—	—	"
AKZO C	F.20	166	1	10	1.70	20	14 A	"
AKZO C	F.27.50	—	—	—	—	—	—	F.25.30
AKZO P	F.22.50	—	—	—	—	20	1.10	"
AKZO P	F.25	—	—	5	0.40	—	—	"
AMRO C	F.05	—	—	83	1.20	—	—	"
AMRO C	F.40	—	—	12	5	—	—	F.36
AMRO P	F.30	—	—	10	1.40	—	—	"
HEIN C	F.65	—	—	—	—	42	2	"
HEIN C	F.70	—	—	12	3.70	10	4.30	F.65
HEIN C	F.55	—	—	8	1.50	10	2.30	"
IBM C	$65	5	8¼	10	2.10	10	2.20	"
IBM C	$70	—	—	—	—	—	—	$72¼
IBM P	$65	—	—	—	—	10	6¾	"
						10	2	"
KLM C	F.80	10	10	10	13.50	—	—	F.89.50
KLM C	F.90	142	3.30	102	6.80	—	—	"
KLM C	F.100	—	—	22	2.70	—	—	"
KLM C	F.120	—	—	12	0.60	—	—	"
KLM P	F.80	27	3.30 A	5	5.60	—	—	"
NEDL C	F.110	—	—	8	2.60	—	—	F.102
NATN C	F.100	—	—	30	4	—	—	F.106.50
NATN C	F.110	10	1.50	2	2.70	2	4	"
NATN C	F.115	16	0.50	—	—	—	—	"
NATN C	F.120	—	—	20	0.60	—	—	"
NATN P	F.105	—	—	14	5.10	—	—	"
NATN P	F.115	5	9	—	—	—	—	"
PHIL C	F.22.50	12	2.50	—	—	—	—	F.24.90
PHIL C	F.25	34	0.60	5	1.30	44	1.60	"
PHIL C	F.27.50	—	—	—	—	52	0.60	"
PHIL P	F.25	5	0.80	20	1.20	2	1.60	"
RD C	F.90	560	2.10	42	4.50	12	5	F.88.80
RD C	F.100	6	0.30	15	1.10	23	2	"
RD P	F.80	5	0.30	33	1 A	—	—	"
RD P	F.90	147	2.70	22	0.80	5	4	"
RD P	F.100	—	—	—	—	10	12	"
UNIL C	F.160	36	0	30	4	1	5	F.159.70
UNIL P	F.160	5	5	—	—	—	—	"
		Nov.		Feb.		May		
SIEM C	DM.220	10	26	—	—	—	—	DM242.50
SIEM C	DM.240	61	8	35	11 B	—	—	"

TOTAL VOLUME IN CONTRACTS 5,307

A=Asked B=Bid C=Call P=Put

UK COMPANY NEWS

Banro marginally higher at midway

After higher interest of £125,000 against £74,000, taxable profits of Banro Industries finished the first half of 1982 marginally ahead from £317,000 to £324,000. Turnover for the period rose from £9.92m to £14.01m and operating profits were up from £391,000 to £449,000.

Tax absorbed £159,000 (£112,000) and minorities totalled £25,000 (£30,000). With stated earnings per 20p share at 2.4p (3.1p) the interim dividend is being maintained at 0.575p net. Last year, profits amounted to £726,000 and a total payment of 3.3p was made.

On prospects for the second half of the current year the directors say that, although the order book is strong, the company is likely to be affected by the slow introduction of customers' new model ranges. It would be unwise at this stage, therefore, to forecast results for the year.

Several new product developments are progressing satisfactorily and these, combined with the proposed sale of William Bate will ensure the continued growth of the group once there is an upturn in the economy.

On a CCA basis taxable profits were £55,000 (£233,000).

The company's activities include the manufacture of framed windows and sunroofs, sunblinds, rolled sections, bumpers, pressings and car body components.

Chambers & Fargus ends £111,000 down

For the 52 weeks to June 30 Chambers & Fargus returned taxable profits of £301,000, compared with £412,000, the downturn coming in the first six months.

Turnover for the year edged ahead to £9.2m, an improvement of £643,000—the group is a seed crusher, edible oil refiner, and producer of vegetable protein.

Earnings per 5p share declined from 7.88p to 4.77p after a same-again tax charge of £131,000.

The dividend is being reduced by 0.25p to 1.75p net by a final of 1.25p, down from 1.5p.

On a CCA basis pre-tax profits were £223,000, against £286,000.

In their interim report the directors said they were hopeful that results for the second six months would show a steady improvement.

Rosedimond over £0.2m at six months

For the six months to July 31 1982 Rosedimond Investment Trust lifted its net revenue from £184,146 to £222,240 after expenses and tax.

Gross revenue came through at £48,710, compared with £310,749.

Earnings per 25p income share advanced from 3.07p to 3.71p and the first interim dividend is being increased by 0.6p to 3.7p, — a second interim of 3.3p was paid previously.

Net asset value per 25p capital share is given as rising from 185.9p to 193p.

Shortfall at Danish Bacon and interim is omitted

Danish Bacon has passed its interim dividend. Difficult trading conditions and higher interest cut pre-tax profits for the first 32 weeks of 1982 from £332,000 to £215,000 and with extraordinary items this time taking £869,000 there was a loss per £1 "A" share of 16p, compared with earnings of 4p.

However, the directors say it is hoped that with improvements from rationalisation coming on stream, and the promise of lower interest rates, a modest recovery in profitability can be expected for the rest of the year. In 1981 total dividends of 3.5p were paid from profits of £580,000.

Sales for the opening period of the current 12 months showed little change at £123.41m (£125m) and profits were struck after interest of £924,000 (£766,000). They included, however, £134,000 (£110,000) in respect of the sale of properties after deducting the cost of vacating premises. There was no tax charge this time, compared with £172,000 last.

Below the line, there was an attributable loss of £654,000 after the extraordinary debits, which comprised reorganisation and redundancy costs £380,727, the value of bacon spoilt at the Maidstone processing factory due to circumstances outside the company's control £300,000 and losses of £188,227 arising from flooding at the Selby plant. Here, stock losses of £1.1m were recovered through insurance.

The directors report that legal proceedings for the recovery of specific and general damages at Maidstone have been instituted against the party responsible. On the basis of technical advice given to date they have been told the company has a good case for the recovery of its total claim. This will be credited as an extraordinary item when received.

The first part of 1982, they say, has been a period of extensive reorganisation. A rationalisation of wholesale branches has taken place, the activities of other divisions have been streamlined and the commercial headquarters are being moved from London to Welwyn Garden City.

Some shrinkage at Amal. Metal and volume is little changed

A SLIGHT downturn from £3.35m to £3.25m in pre-tax profits is reported by Amalgamated Metal Corporation for the half-year to June 30 1982. Turnover of the group—its activities are worldwide merchanting of metals and minerals and tin smelting—rose from £664m to £729m. No interim dividend is being paid—last year's interim of 2p was the only payment made.

The directors say UK activities of the industrial division produced better figures as a result of the rationalisation measures taken last year, although the volume of business has not altered significantly.

By contrast, the severe recession in the Canadian economy has adversely affected the profit of the Debro division of Premetalco Inc. Australian division companies were faced with a recession in the local economy which offset the benefits accruing from the recent rationalisation.

Activity of the London Metal Exchange was relatively quiet for most of the period, so the contribution from the terminal market division has lagged behind last year.

The physical trading division has also made a slower start and has provided for an anticipated loss on breaking the Ark Royal.

The first half was a difficult period for the smelting division following the fall in the tin price and the higher costs associated with smelting a greater proportion of imported concentrates in Malaysia, say the directors.

Investment income was higher than in the same period last year since no dividend was received from a major investment in the first half of 1981.

The present climate of world economic uncertainty has confirmed the directors' belief in their policy of strengthening group reserves.

First half tax was £1.41m against £1.96m, and after minorities of £547,000 (£626,000), earnings per £1 share were 19.8p (11.2p, or loss of 1.9p after extraordinary items). Exchange gains totalled £449,000 (£2.79m) and these have been added to reserves.

Amalgamated Metal is 86.3 per cent owned by Preussag AG.

Rothman's makes good start to current year

SIR DAVID NICHOLSON, the chairman of Rothmans International, told shareholders at the annual meeting that trading conditions during the current year had been broadly similar to those of the previous year.

He said the volume of business in the tobacco industry was still depressed in various markets, pointing out that this was due partly to consumer resistance to higher prices arising from increased tobacco taxation.

The chairman revealed, however, that operating profits were ahead of those for the corresponding period of last year but added that, as indicated in his statement with the report and accounts, a similar rate of profit growth as that achieved over the whole of last year would be harder to realise in the current year, although the group had made a good start.

Sir David said he was confident that the strength of the group's combined resources would stand it in good stead to meet the challenges ahead.

He told members that the group's record pre-tax profits of £105m for the 1981-82 year were achieved against a background of recession and reduced consumer spending in many of the markets of the world in which the group carries on business.

In the tobacco industry, the mainstay of group operations, he said the overall volume of business was slightly below the previous year's level, but profits were higher due to increased efficiency, the restoration of more realistic margins on sales and the benefits in sterling terms of exchange rate movements. The group's interests in luxury consumer goods and in the brewing industry also showed improvement, he added.

Caution as Pentland has 5% increase

Although increasing its pre-tax profits by 5 per cent from £504,000 to £530,000 in the six months to June 30 1982, the directors of Pentland Industries are not, at this stage, convinced this progress will continue into the final half of the year.

Turnover of this industrial holding company—its ultimate holding company is Robert Stephen Holdings—rose from £17.11m to £18.84m, an increase of 10 per cent. The interim dividend is effectively raised from 0.333p to 0.375p net—last year's total was an adjusted 1.633p.

Tax this time took £115,000 (£132,000) and minorities were higher at £32,000 (£12,000). Earnings per 10p share improved from an adjusted 2.9p to 3.09p.

IN BRIEF

RELIANCE KNITWEAR GROUP (maker of garments and leisure products)—Results for the year to April 30 1982, reported on August 19. Shareholders' funds £3.88m (£3.76m); fixed assets £2.54m (£2.33m); net current assets £1.38m (£2.06m); increase in net liquid funds £286,00 (decrease £524,000). Meeting: Halifax, October 7, at noon.

DIPLOMA—Results for year ended June 30 1982 reported September 2. Fixed assets £7.03m (£7.25m); net current assets £19.34m (£15m); shareholders' funds £20.14m (£17.47m) Meeting, Winchester House, EC, October 8, 11 am.

Increase at United Real Property

Pre-tax revenue of United Real Property Trust, property investor and developer, improved from £1.27m to £1.62m for the year to April 5 1982. This included a contribution from associates of £51,000 against £42,000.

Net rental and service income of this close company was up from £1.47m to £2.09m after property outgoings of £855,000 (£809,000) and exceptional refurbishment costs of £407,000 (£381,000).

Tax took £829,000 (£854,000) for attributable earnings of £766,000 (£400,000) and the total dividend is kept at 6p with a final payment of 4.75p net. At halfway taxable revenue was ahead from £828,000 to £859,000.

George Scholes surges to £3.11m

FOR THE year to June 30 1982 George H. Scholes, electrical engineer, reports an upsurge in pre-tax profits from £1.79m to £3.11m and an increase in total dividend from 16.52p to 20p with a final payment of 14p net. A one-for-two scrip issue is also proposed.

Turnover improved from £14.88m to £18.54m. Tax took £1.45m against £894,000 and earnings per 25p share are shown to have risen from 21p to 38.8p.

At halfway, taxable profits were well ahead from £390,000 to £1.27m. On a CCA basis for the full year they are shown at £1.16m (£377,000).

Fisher Karpark joins USM

The Fisher-Karpark Group, a leading manufacturer and distributor of parking meters, is to join the USM by way of a reverse takeover. The company intends to change its name to FKI Electricals.

The Fisher-Karpark Group is backing into Woodend Securities, whose main assets in Sri Lanka were nationalised in 1975. Woodend's shares have not been traded on the Stock Exchange for some years.

Details of the deal will be announced next Tuesday. Brokers to the issue are Smith Keen Cutler.

Poor start for Wheelers Restaurants

THE first five months of the financial year had not been good, Mr R. M. Emmanuel, chairman of Wheelers Restaurants, told the annual meeting. He pointed out that many theatres and shops in the West End had closed, maybe never to open again. The lack of tourism, the train strikes and terrorism had all had an adverse effect.

The directors were looking to make savings in the business without affecting service to customers, continued Mr Emmanuel.

Since the beginning of September, he said, there had been an upsurge in business. If this trend continued, he hoped that profits would be made in the latter months of the financial year.

The new City restaurant was becoming profitable and covers were more consistent. The same went for the wine bar in Soho, said Mr Emmanuel.

Billingsgate Market had proved to be a great success.

The company is a close company.

Public Works Loan Board rates

Effective September 15

Years	Quota loans repaid by EIP†	Quota loans repaid At‡	Quota loans repaid at maturity§	Non-quota loans A* repaid by EIP†	Non-quota loans A* repaid At‡	Non-quota loans A* repaid at maturity§
Up to 5	10¾	11	11¼	11⅝	12	12
Over 5, up to 6	11	11⅛	11⅜	11¾	12	12⅛
Over 6, up to 7	11¼	11¼	11½	11⅞	12	12¼
Over 7, up to 8	11⅜	11⅜	11⅝	11⅞	12	12¼
Over 8, up to 9	11½	11½	12	11⅞	12	12½
Over 9, up to 10	11½	11½	12	11⅞	12	12¼
Over 10, up to 15	11⅞	12	11⅞	12⅛	12⅛	12⅜
Over 15, up to 25	12	11⅞	11⅞	12¼	12⅜	12⅜
Over 25	11⅞	11¾	11¾	12⅜	12⅜	12⅜

* Non-quota loans B are 1 per cent higher in each case than non-quota loans A. † Equal instalments of principal. ‡ Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § With half-yearly payments of interest only.

Weak metal prices cut RTZ earnings by 38%

BY KENNETH MARSTON, MINING EDITOR

AS EXPECTED first half 1982 results of the UK-based Rio Tinto-Zinc Corporation international mining and industrial group have been severely affected by the economic recession. But the 38.5 per cent fall in net attributable profits to £28.9m, equal to 11.21p per share compared with £47m e year ago, is a little larger than recent market estimates.

It comes in the fsce of first net earnings of £9.7m in respect of RTZ's beneficial ioterest in Thomas W. Ward aod Tunnel Holdings whicb became subsidiaries in January. However, RTZ is meintainiog its interim st 5.5p net. Tbe total for last year was 16p.

Inevitably, the group has been hit by lower prices for its metsls, notsbly gold, copper and lesd. The copper, leed end zinc operations ran into losses, a result which wss £26m worse at the RTZ attributable level than in tbe first half of 1981.

The Austrslisn operations via CRA which eccount for nearly 40 per cent of total essets employed suffered a loss of which RTZ's share amounted to £7.3m agaiost e profit of £5.6m a year previously.

In 1981 RTZ's earnings were cusbioned by a record performance of the U.S. RTZ Borax. The lstter, however, succumbed to the general downtrend in the first

	First half 1982	First half 1981
	(£m)	
Group sales	1,678.4	1,536.7
Grp. operating profit	129.3	169.0
Share of essocs.	4.2	14.8
Oive. end int. receiv.	34.4	39.0
Making	167.9	222.8
Interest payable	67.5	49.3
Profit before tax	100.4	173.5
Tax	57.5	89.9
Profit efter tax	42.9	83.6
Outside holders	14.0	36.6
Attributable	28.9	47.0
Earnings per share	11.21p	18.58p
Oividends		
Prelerence	0.2	0.2
Ordinary interim	14.1	13.5
Div. per 25p ord.	5.5p	5.5p
Gross. equiv. to UK holders	7.86p	7.86p

half of this year wheo earnings fell to £18.1m from £25.5m in the same period of 1981.

In Canada, Rio Algom's contribution to RTZ eernings fell by £5.1m to £2m in line with the loss incurred by the copper and molybdenum-producing Lornex.

On the other hand, the contributioo of the Rossing uranium mine in Namibia rose by £3.1m to £13.5m, lergely because of the exchange rate edvantege arising from the fall in the value of the South African rand against the U.S. dollar in which the majority of uranium sales contracts are priced.

RTZ Industries managed to increase its profit in the UK, raising its contribution by £1.2m to £9.7m. RTZ Oil and Gas and RTZ Bristol (tin mining and refining) also did better.

Overall, however, RTZ's share of profits of associated companies has dropped to £4.2m from £14.8m in the first half of 1981 when the full year's total came out at £30.5m.

Dividend and interest income has been fairly well meintained at £34.4m against £39m, but interest charges have risen to £67.5m from £49.3m.

RTZ comments thet while the latest results are disappointing "they are not wholly unsstisfectory when considered egainst the background of the very difficult conditions which are currently being experienced by the mining industry es a whole."

Looking to prospects for the second half of this year RTZ notes the sharp improvement in prices of precious metals and the production cutbacks which have brought the supply of most base metals into better balance with reduced demand.

This offers the prospect of a modest revivsl of metal prices, which would help RTZ earnings, but the group does not expect any sustained improvement in trading conditions generally before the end of the year.

RTZ shares opened yesterday at 434p and drifted down to 424p in line with the general trend. After news of the latest results they rallied to 427p but then fell back again to 418p.

See Lex

Uncertain outlook for gold

THE BIG QUESTION in the gold market at the moment is whether the price bas made a quantum leap of about $100 per ounce as a result of the financial crisis in Mexico, or whether there will soon be a sharp fall back to about the $350 level, according to Mr Robin Plumbridge, chairman of Gold Fields of South Africa.

He believes that if the crisis spresds to other South American states, notably Argentina and Brazil, the world economic order will receive a severe jolt, and the resulting uncertainty will be good for the gold price.

At the very least, bullion could be expected to fluctuate around the current level of about $450 per ounce, and could go very much higher.

If, on the other band, the north American banks and the IMF are able to paper over the cracks and stave off a major default, Mr Plumbridge feels thst bullion could well lose the bulk of its recent gains, and spend some time around the $350 mark before resuming its long-term upward trend.

So far as the outlook for Gold Fields of South Africa itself is concerned, obviously much will depend on the course of the gold price over the coming 12 months, with something like 84 per cent of the company's income coming from gold operations.

Mr Plumbridge was not prepared to make any forecast about the future level of dividends, preferring to leave this for his chairman's statement with the annual report, due on September 24.

At this stage of last year, when gold was a little below the current price, he predicted that GFSA would be sble to maintain the dividend total at 500 cents (254p) per sbare, and this forecast was repeated in February this year when the bullion price had fallen to $360.

Shareholders can thus probably feel confident that Mr Plumbridge's comments sbout the dividend will be reassuring, with gold at its preseot level.

The ever-increasing burden of working costs will present some problems in the year to June 30 1983 especially in the light of the recent larger than expected wage rises awarded to both black and white mineworkers. Labour accounts for about 55 per cent of group working costs.

Nevertheless, Mr Plumbridge is bopeful that the group can contain the rise in working costs to less than last year's 14 per cent rate, although it is still likely to be in double figures.

Midland Industries falls to £305,000 at midway

For the first half of 1982 pre-tax profits of Midland Industries, the engineer and repetition iron-founder, showed a decline from £421,000 to £305,000 on turnover ahead from £10.33m to £13.02m.

Tax for the period took £42,000 (£41,000) leaving net profits at £263,000 (£380,000) and, with earnings per 5p share at 2.03p (2.94p), the net interim dividend is beld et 1.1p. Last year's total payment was 2.6p from pre-tax profits of £754,000.

The directors say there are no immediate signs of any major uplift in the market places served by the group, but certain areas are improving, mainly in the finished products of the group where a more significant presence is being made.

On the brighter side, considerable resources are being expeoded in widening the group's trading base through research and development on existing ranges and new product lines. This has attracted interest in Europe with the possibility of a major agreement in the near future.

A joint manufacture agreement, under licence, has been entered into with Miyawaki Corporation of Japan by BVMI, e subsidiary. This has improved the company's competitiveness in the steam trap market and will open up the Far East markets for the company's range of valves.

The acquisition of RMI Holland has proved to be a successful addition to the group, with substantial work intake from the Middle East.

While short-term prospects in 1982 are not particularly good, there are grounds for optimism through expansion in the prodnct range, the directors concluded.

Willaire Systems board's intention on dividends

THE BOARD of Willaire Systems has confirmed its intention to commence payment of dividends es soon as practicable, Mr S. P. Willison, the chairman, says in his annual statement.

To this end, the bosrd is considering the possibility of seeking approval of shareholders and the Court to a capital reduction so as to remove this adverse balance and permit e dividend to be paid in respect of the 1982-1983 financial year — assuming adequate profits are mede.

He says incoming orders in the first quarter of the current year are at a higher level than during the corresponding period last year, and operating results are in line with budget.

Discussions with several overseas companies are et an advanced stage to enter into joint ventures for the marketing, througbout the Enropean Community, of equipment snd instrumentation for application in the refrigeration, air conditioning and heating industries.

As known, the company, which is quoted on the Unlisted Securities Market, had pre-tax profits of £63,168 (£133,595 losses) in the 15 months to March 31 1982. At thet date, shareholders' funds were £1.79m agsinst £166,551 at December 31, 1980. Nst current assets were £572,106 (£128,356).

Meeting: 20, Copthall Avenue, EC, October 6, et noon.

Troubled rubber side hits Field

By Our Johannesburg Correspondent

Field Industries, the South African industrial company with interests in aviation, industrial rubber prodncts and fasteners and which is e subsidiary of Hunting Associeted Industries of the UK, was badly affected by an alleged fraud in its rubber division in the six months ended June 30 1982.

Management is unable to tell what proportion of the rubber division's R667,000 (£339,350) first-half loss was due to the fraud, and what due to operating losses.

Nevertheless, the deficit in this division outweighted the R556,000 after-tax profit of the rest of the group.

Ignoring the rubber division's results, Fleld's first-half operating profit before tax rose to R890,000. This compares with R700,000 in the corresponding period of 1981 and R3.23m for the whole of last year.

Weak trading conditions and higher interest rates, say the directors, have led to e greater than expected deterioration in trading conditions. This, they edd, makes the outlook for the rest of the year unfavourable.

In view of the company's first-balf overall loss of R111,000 the directors say after-tax attributable profits for the whole year are unlikely to be as high as last year's R1.76m. Last year a dividend of 8 cents was declared from earnings of 23.8 cents a share.

Montfort omits interim as loss totals £0.27m

Montfort (Knitting Mills) cut pre-tax losses from £297,000 to £267,000 for the six months to June 26 1982 but has passed its interim dividends. Last year's interim of 1p net was the sole payment made when losses of £709,782 were incurred.

Of the first half deficit the directora say, £105,000 relates to the running-down period of the Rothley unit in the four months prior to closure.

The balance of the trading loss attributable to the continuing production units was almost entirely incurred in the first three months and three subsidiaries bave attained small profits on trading for the second quarter.

There are indications that this slow improvement should now be maintained as the benefits of retionalisation become apparent.

In the light of continuing pessimistic economic forecasts, the directors are taking positive steps to achieve e significant reduction in the group's borrowings over the next 12-18 months, even though this may require some further scaling-down of current acivities, to ensure that a return to a wholly-profitable and stable operation can be realised as soon as possible.

Turnover for the first half totalled £5.23m (£4.65m). No tax was paid (£16,000 credit) but there was an extraordinary debit this time of £111,000 representing costs of closure of the Rothley factory.

Corporate treasurers may be facing wrong way on 'futures'

BY JEREMY STONE

CORPORATE TREASURERS must be dull, unoriginal and uncreative. That was the conclusion drawn by Mr Beresford Packham from the nature of his audience et yesterday's FT conference on financial futures.

Of those present, 87 per cent were benkers or representatives of other financiel companies, yet the major beneficiaries of trade in financial futures should be industrial and trading companies.

Mr Packham, who is executive treasurer of United Brands, deplored the absence of anybody working on the liability or risk management side of top industrial concerns. As for the bankers in the conference room, most were from the lending side of their benks, few were responsible for managing liabilities.

The nse of financial futures could solve some of the most difficult and long-standing problems fsced by corporate treasury departments, by increasing their flexibility.

Old-style treasury management —described by Mr Packham as "Dullsville" — consisted of anticipating all the company's main cash inflows and ontflows, taking a view on the trend of interest rates (and exchange rates), and deciding on the right maturity of instrument to go and buy in the casb market. The treasurer could then get his fun by haggling with bankers over an eighth or a sixteenth on the rate.

In the current unstable environment, a treasurer might want to: undo earlier decisions in the light of changed market conditions; set bis borrowing rates at maturities where interest rates were relatively low; fix rates on proposed issues of long-term debt; lock-in the yields to be expected from future surpluses of cash; eliminete exposure to interest rate change.

Financial futures could offer the edded flexibility to achieve all these goals, and without edding to th erisks which are already feced daily by companies operating in the market place.

No aditional risk need be imported, but existing risks can be reduced and managed. The acceptable limits of risk can be set et the top level of management, giving treasury departments parameters within which to work.

It was important thet treasurers should no thave cold feet. Learning how to use the markets was easy enough for those prepared to "Go out and get in and do it." But potential corporate users of the futures markets should plan their entry in the same way as any other new investment.

Pilot programmes were edvisable: "Practice with two or three contracts before you try to play with three or four hundred."

Some of the themes tonched on by Mr Packham were taken further by Mr Geoffrey Gray of Occidental Financial Services, and by Mr John Lewis of Phillips and Drew.

Mr Gray analysed the management systems needed for handling the foreign exchange exposure of e multinational company. He discussed reporting networks and the elation between a central treasury department and the operating companies on the periphery—and also the link with senior management.

FINANCIAL TIMES
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CONFERENCE

Mr Lewis examined some specific cases of hedging, including the use of long interest rate futures contracts to lock in a borrowing rate until the time should be ripe for issuing a 20-year loan. The principal of such a hedge is thet the profit on selling futures contracts—available if yields rise subsequently—produces enough income on reinvestment to replace the extra interest cost.

Commissioner Susan Phillips (of the U.S. Commodity Futures Trading Committee) discussed some current and prospective issues of market regulation. She said that new participants in the financial futures markets include people who believe futures trading to fall somewhere in between farming and gambling, without being sure where.

She thought this expansion was bringing basic issues back into focus—even reaching down to the question how to define a commodity.

Mr Stephen Kingsley (of Arthur Andersen and Co) said that there were as yet no firm guidelines from the Revenue on the tax treatment of futures dealing, and no accounting standards had yet been promulgated by the accountancy profession.

He believed that the accountancy standards should reflect the economic meaning of transactions, sometimes treating profits as short-term dealing profits, sometimes—as in the case of hedging income flows arising out of cash market transactions—it would be appropriate to take futures profits over the life of the related cash transaction.

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France's $4bn Eurocredit will test the market

FRANCE'S $4bn, 10-year Eurocredit, announced yesterday, should provide a major test of the Euromarket's ability to absorb large loans in the wake of the Mexican and Argentine debt problems.

Already these problems have paralysed the syndicated loan market for Latin American borrowers, but France is the first European borrower to test the market with a really large credit since Mexico announced its three-month moratorium on repayments of principal.

While some bankers speak of a flight into quality in the Eurocredit market adding to the attraction of European loans, others say that banks will insist on a higher return on assets if they are to lend at all. This would push up margins for even the most highly regarded borrowers.

Skimpy

With its credit, France still lays claim to very fine terms in the Euromarket. The basic margin is only ½ per cent over Eurodollar rates, the commitment fee is standard for French borrowers at ¼ per cent and the management fee is a skimpy 0.20 per cent.

Set against this is the very large amount of the credit, one-third of which is to be drawn down and two-thirds of which counts as a standby facility. The maturity of 10 years with six years' grace is also exceptionally long by today's standards.

A general view in the market-place yesterday was that these terms were tight but would probably stick in the end because the French state itself is a very rare and prestigious name and is able to exert political pressure on banks to enter the deal.

However, U.S. banks are conspicuous by their absence so far. The loan is to be co-ordinated by Ste Generale, Arab Banking Corporation and Bank of Tokyo, each of which is underwriting $250m. The other four leading French banks are underwriting $200m and lead managers will be sought prepared to underwrite $100m apiece.

The deal is thus aimed at big ticket banks willing to underwrite large amounts, but the real test of sentiment will come in syndication to smaller participants which should be completed by early October.

Their judgment is less likely to be affected by political considerations, and more by the growing disaffection of the banking community for pure balance of payments financing. Some may also take the view that margins for French state borrowers are likely to rise in future and that it may be worth waiting for more lucrative opportunities around the corner.

France is the first European borrower to test the syndicated loan market since Mexico announced its three-month moratorium on repayments of principal. While the French issue is aimed chiefly at big ticket banks, interest centres on the attitude of the smaller banks which could influence margins on future issues. Peter Montagnon reports.

Bankers close to the deal maintained yesterday, however, that major borrowings by French state entities are now unlikely before the end of the year. In that case banks wishing to lend to France may miss the boat if they do not act now.

As usual with French deals it is very hard to assess the real return offered by this credit. It depends on how far the loan is actually drawn as undrawn portions offer a commitment fee of ¼ per cent without any assets actually being tied up.

In a worst case scenario where the loan is fully drawn for its entire life, the overall yield works out at 0.54 per cent over Libor (London interbank offered rate). This compares with a return of around 0.47 per cent on the Libor portion of previous deals.

But these credits have also carried a tranche priced over U.S. prime rate which is much more lucrative to banks. One argument in Paris yesterday was that the margin of ½ per cent over Libor, which is high by French standards, was a sop to the banking community to compensate for the fact that there is no prime option on this deal.

In June, France's state financing concern Credit National raised a $600m, eight-year credit with a margin over Libor of ⅜ per cent or 0.1 per cent over U.S. prime rate.

The co-ordinating banks in the $4bn credit are expected to seek a fairly broad syndication for the deal. French banks are expected to take around one-third of the total amount with a further one-third coming from Japanese institutions.

Mood

At the management level banks will be invited to come up with between $25m and $40m apiece while participants are expected to be asked for around $5m to $15m apiece.

It is at this level that the real test of the market's mood will come. Given the growing funding differentials in the inter-bank market, some bankers expect smaller banks to opt out of Eurocredit business for the time being.

Their failure to support this operation would be a sure sign that margins are now set to rise, even for quality borrowers in Europe.

German banks plan DM 1.7bn bond offers

By Our Euromarkets Staff

WEST GERMAN banks yesterday set a calendar of 13 new foreign bond issues amounting to a total of DM 1.7bn for the coming month. This compares with a calendar of DM 1.1bn set a month ago.

The list, which was announced too late to affect market prices, includes three British companies—Beecham which is raising DM 125m through Commerzbank, Bass with DM 80m through Dresdner and GKN with DM 100m through Commerzbank.

Other issuers will include Australia with DM 200m, the World Bank with a DM 100m private placement, the European Investment Bank with DM 200m, the EEC with DM 200m and the European Steel and Coal Community with DM 300m.

The list is rounded off with a selection of U.S. and Japanese corporate names as well as the Council of Europe, which is raising DM 125m.

Elsewhere, Sparbankernas Bank, the Swedish savings bank, is raising $60m in the Eurobond market through an eight-year floating rate note with a margin of ¼ per cent over the London interbank offered rate.

The bond, which is led by Merrill Lynch and the borrower itself, was the only new issue in major bond markets yesterday.

Prices of fixed interest Eurodollar bonds rose by about ⅛ points in fairly quiet trading on the back of a firmer New York bond market.

In line with the rest of the market North American bank bonds showed a rise for the second day running of between ⅛ and ⅜ points. The 12 per cent Bank of America paper due in 1987 closed ⅛ up on the day to close at 93½ per cent.

D-mark foreign bond prices closed about ½ up, with fairly active trading especially in the more recent issues. Again speculative buying pushed the prices of South American bonds up by as much as 4 points on the day.

In the Swiss Franc foreign bond sector prices also rose about ½ per cent in moderate turnover. There is a positive mood to the market here with the hopes of lower interest rates to come. On Tuesday the main Swiss banks cut their cash bond rates by ½ per cent across the board.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices which will be published next on Wednesday October 13. Closing prices on September 15

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Aetna Life 15 86/97	150	104⅜	104⅞	+0⅛	−0⅛	13.21
Amex Int. Fin. 16¼ 92	75	101⅞	102⅜	+0⅛	−0⅛	15.24
Amex O/S Fin. 14¼ 86	75	101¼	101¾	+0¼	−0¼	13.83
ATT 14⅜ 89	400	106⅜	106⅝	+0⅛	+0⅛	12.67
Baker Int. Fin. 0.0 92	225	27⅝	28⅛	−0⅛	−0⅛	14.43
BHP Finance 14⅜ 89	150	98⅝	98⅞	+0⅛	−0⅛	14.82
Bk. Amer. NT SA 12 87	200	93⅛	93⅝	+0⅛	−2⅛	14.00
Bk. Montreal 14½ 87	100	96	96½	+0⅛	−2⅛	15.62
Bque. Indo Suez 15 89	100	100⅝	100⅞	+0⅞	−0⅛	14.82
British Col. Hyd. 14⅞ 89	200	102⅝	103⅛	+0⅛	−1⅛	14.00
British Col. Hyd. 15⅝ 92	150	106⅜	105⅞	+0⅛	−0⅛	14.13
Canada 14⅜ 87	750	103⅞	104⅛	+0⅛	−0⅛	13.18
Canadair 15½ 87	150	103	103½	+0½	−1	14.39
Canadian Pac. 14⅜ 92	75	99	99½	+0⅛	−1⅛	14.73
Can. Pac. Sec. 15 89	75	100⅛	100⅝	+0⅛	−0⅛	14.89
CIBC 16 87	100	100⅜	100⅞	+0⅛	0	15.70
Citicorp O/S 16 84/92	100	99½	100	+0⅛	−1⅛	15.00
Citicorp O/S 15½ 85/97	125	100⅜	100⅞	+0⅛	−1⅛	15.04
CNA 15⅞ 97	75	104⅛	104⅞	+0⅛	−1⅛	16.03
Con. Illinois 15¼ 89	100	96	96½	−0⅛	−0⅛	16.66
Deutsche Bk. F. 14⅛ 89	300	100⅛	100⅝	+0⅛	−0⅛	14.15
Duke Pwr. O/S 15½ 89	60	103	103½	+0⅛	−0⅛	14.63
Du Pont 14⅛ 89 WW	200	101⅛	101⅝	0	−1⅛	13.77
ECSC 14⅞ 87 (April)	80	101⅞	102⅜	+0⅛	−0⅛	14.06
EIB 15½ 89	150	102⅝	103⅛	+0⅛	−1½	14.66
EIB 15½ 92	100	103⅛	103⅝	+0⅛	−1⅛	14.80
Eksportfinans 14½ 89	50	100⅝	101⅛	+0⅛	−0⅛	14.20
Gen. Elec. Credit 0.0 92	400	30⅛	30⅝	+0⅛	−0⅛	13.43
Gen. Elec. Credit 0.0 93	400	27⅛	27⅝	+0½	+0⅛	13.24
Getty Oil Int. 14 89	125	103	103½	+0⅛	−0⅞	13.19
GMAC O/S 15¼ 85/97	100	100⅞	101⅜	+0⅛	−1	14.56
GMAC O/S Fin. 15 89	125	101⅛	101⅝	−0½	−1⅛	14.55
GMAC O/S Fin. 15 87	100	102⅛	102⅝	+0⅛	−1	14.16
Gulf Canada Ltd 14⅜ 92	100	101½	102	+0½	−1⅛	14.35
Gulf Oil 14⅛ 94	175	101⅛	101⅝	+0⅛	−0⅛	13.96
Gulf Oil Fin. 0.0 92	300	30⅛	30⅝	+0⅛	−0⅛	13.37
New Brunswick 15⅝ 87	75	104	104½	+0⅛	−0⅛	13.96
New Brunswick 16⅛ 89	75	104⅞	105⅜	+0⅛	−1	14.92
Nova Scotia Pr. 15⅛ 89	75	102⅝	103⅛	+0⅛	+0⅛	14.51
Ontario Hydro 14⅜ 89	150	104⅛	104⅝	+0½	−0⅛	13.62
Ontario Hydro 15 92	150	104⅛	104⅝	+0⅛	−0⅞	14.13
Pac. Gas & El. 15½ 89	45	102⅝	103⅛	+0½	+0⅛	14.69
Phillips Petrol 14 89	200	101⅜	101⅞	+0⅛	−0⅛	13.56
Saskatchewan P. 15 92	150	102½	103	+0⅛	−1⅛	14.45
Shell Canada 14⅜ 92	125	101⅜	101⅞	+0⅛	−1⅛	14.02
Superior O/S Fin. 14 89	125	101⅛	101⅝	+0⅛	−0⅛	13.60
Swed. Exp. Cr. 15⅛ 88	100	102⅜	102⅞	+0⅛	−0⅛	14.53
Swed. Exp. Cr. 14⅜ 90	100	100	100½	+0⅛	−0½	14.64
Swed. Exp. Cr. 0.0 94	200	20⅞	21⅜	0	−0½	14.49
Texas Eastern 15⅛ 89	60	101½	102	+0⅛	−1⅛	15.28
Union Carbide 14⅜ 89	150	101⅜	101⅞	+0⅛	−1⅛	14.30
Wells Fargo Int. 15 87	75	99⅞	100⅜	+0⅛	−2⅛	14.88
World Bank 14⅛ 87	500	100⅝	101⅛	+0⅛	−0⅛	13.84
World Bank 15 87	250	102½	103	+0⅛	−1	14.15
World Bank 15 88	150	102⅞	103⅜	+0⅛	−1	14.15
Xerox Fin. 14 87 WW	100	101	101½	+0⅛	−0⅛	13.62
Average price changes...		On day +0⅛	on week −0⅛			

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asn. D. B. 9¾ 92 (Apr)	150	98⅛	98⅝	+0⅛	−0⅛	9.42
Asn. D. B. 9¾ 92 (Aug)	150	98⅞	99⅜	−0⅛	−0⅛	9.44
Austria 8¾ 92	100	96½	97⅛	−0⅛	−0⅛	8.86
Barclays O/S In. 8⅞ 94	100	96⅜	97⅛	0	−0⅛	8.82
Black and Decker 9⅞ 89	100	100⅞	101⅜	+0⅛	+2⅛	9.92
Bowater Int. Fin. 9½ 89	50	96⅞	96⅜	+0⅛	−0⅛	9.31
Caisse Nat. Tels. 9⅜ 92	100	101⅛	101⅝	0	−0⅛	8.27
Canada 8½ 89	200	102⅛	103⅛	+0⅛	0	7.86
Cred. Foncier 8⅞ 92	100	97⅝	98⅛	+0⅛	0	9.10
EIB 8⅜ 92	100	97⅛	97⅞	0	−0⅛	8.76
Int. Am. Dev. Bk. 9 92	150	98⅞	99⅜	+0⅛	+0⅛	9.19
ITT Antilles 9⅛ 92	100	100⅝	101⅛	+0⅛	+0⅛	9.09
Nacnl. Financiera 11 90	150	79⅛	81⅛	+3⅛	−3	15.58
Norsk Hydro 8½ 92	100	99⅝	100⅛	+0⅛	+0⅛	8.53
Norsk Hydro 9 92	100	102⅛	102⅝	+0⅛	+1⅛	8.61
OKB 8⅞ 89	100	99	99½	0	0	9.02
OKB 9 89	75	98⅞	99⅜	+0⅛	+0⅛	9.17
Philips Lamps 8⅜ 92	100	100⅞	101⅜	−0⅛	−0⅛	8.32
Philip Morris 8⅛ 90	100	101⅛	101⅝	−0⅛	−0⅛	7.99
Renfe 10 92	100	99⅝	100⅛	+0⅛	+0⅛	8.96
SNCF 8½ 92	100	97⅝	98⅛	0	+0⅛	8.93
Tenneco Int. 9 92	100	99½	100	−0⅛	−0⅛	9.03
World Bank 8½ 92	200	98⅛	98⅝	+0⅛	+0⅛	8.74
World Bank 9 92	200	100⅛	100⅝	0	+0⅛	8.92
Average price changes...		On day +0⅛	on week −0⅛			

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Air Canada 6⅜ 92	100	102	102½	−0⅛	−0⅞	5.95
Asian Dev. Bank 7 92	100	99⅛	99⅝	+0⅛	−0⅛	7.10
BNP 6⅛ 92	100	99⅛	99⅝	+0⅛	+0⅛	6.80
Eldorado Nuclear 6⅜ 92	100	102⅞	103⅜	0	+0⅛	6.09
Europarat 7¼ 92	100	100	100½	−1	0	7.22
Ind. Fund Finland 6⅜ 92	30	100⅛	100⅝	0	+0⅛	6.88
Japan Dev. Bank 6 94	100	101⅛	101⅝	0	0	5.82
Kansai El. Power 6⅞ 92	100	103⅛	103⅝	+0⅛	+0⅛	6.29
Kon-Oil Co. 7 92	75	103	103½	0	+0⅛	6.68
Kobe City 6⅛ 83	100	101½	102	+0⅛	+0⅛	5.86
Lonrho Int. Fin. 7½ 92	80	92⅞	93⅜	−0⅛	−1⅛	8.58
Mont Blanc Tun. 7¼ 92	70	103⅛	100	+1	+1½	6.80
Nefinsa 8½ 92	80	72	72½	−0⅛	−4⅛	13.51
Natomas O/S F. 7½ 90	75	103⅛	103½	+0⅛	+0⅛	7.04
New Zealand 6 93	100	102⅜	103	+0⅛	+0⅛	5.60
Nippon Tel & T. 6½ 92	100	104	104½	0	−0⅛	5.91
NYK 6⅞ 92	100	99⅛	99⅝	−0⅛	+0⅛	5.90
OKB 7⅞ 92	100	102⅞	103⅛	0	+0⅛	6.82
Quebec Hydro 6⅝ 92	100	102⅛	103	+0⅛	+0⅛	5.23
Renfe 7⅛ 92	80	95⅛	96⅛	+0⅛	+1⅛	8.28
Sumitomo Metal 6⅞ 92	100	99⅛	99⅝	0	0	6.82
Svenska Handels. 6⅞ 92	100	98⅛	98⅝	−0⅛	0	6.94
Swed. Exp. Cred. 7⅛ 91	100	100⅜	100⅞	+0⅛	+0⅛	7.17
Tiroler Wasser 6⅞ 92	100	99	99½	0	+0⅛	8.37
TNT O/S Fin. 6⅞ 92	100	94⅞	95⅜	+0⅛	−2⅛	7.61
World Bank 7⅛ 92	100	103⅛	103⅝	−0⅛	−0⅛	6.78
Average price changes...		On day 0	on week −0⅛			

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
EIB 8⅜ 92	15	97⅞	98⅜	+0⅛	+0½	8.51
Int.-Amer. Dev. 8⅞ 91	15	101⅜	102⅛	0	+0⅛	8.56
Japan Airlines 7⅞ 87	9	98	98½	0	−0⅛	8.27
New Zealand 8⅜ 87	15	99⅞	100⅜	0	0	8.29
World Bank 8⅜ 92	20	99⅝	100⅛	+0⅛	+0⅛	8.40
Average price changes...		On day 0	on week +0⅛			

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Bell Canada 16 89 C$	100	†103	103½	+1	+2⅛	15.21
Br. Col. Tel. 17¼ 86 C$	50	†103⅞	103⅜	0	−0⅛	16.31
Can. Utilities 17 87 C$	35	†105	105½	+0½	+1	15.37
Gaz Metro. 17½ 90 C$	20	†101½	102⅛	+0⅛	+1⅛	16.75
OKB 16⅛ 88 C$	53	†102⅛	102⅝	0	+0⅛	15.60
Q. Hyd. 16⅛ 89 (M) C$	50	†102⅝	103⅛	+1	+1⅛	15.68
Univ. Queb. 16⅛ 87 C$	17	†100	101	+0½	+0⅛	15.40
U. Bk. Nwy. 9⅛ 90 EUA	18	96½	97½	0	+0⅞	10.97
Amro Bk. 10 87 (M) Fl	150	100⅜	100⅞	+0⅛	−0⅛	9.80
Amro Bk. 10 87 (A) Fl	75	100½	101	+0⅛	−0½	9.79
Bk. Mees & H. 10 87 Fl	75	99⅝	99½	0	−0⅛	10.14
EIB 10 87 Fl	75	99⅛	99⅝	0	0	10.18
Ireland 10½ 87 Fl	75	99⅝	99⅞	0	−0⅛	10.63
DKB 10⅛ 87 Fl	75	100⅛	100⅝	+0⅛	−0⅛	10.38
OKB 14 86 FFr	400	93⅛	94⅛	−0⅛	−0⅞	16.43
Solvay et C. 14⅛ 86 FFr	200	94	95	+0⅛	−0⅛	16.84
Beneficial 14⅛ 90 £ (O)	20	93	94	−0⅛	−0⅛	15.67
BFCE 14⅛ 87 £	30	104⅞	106⅞	+0½	−0⅛	12.88
BNP 13½ 91 £	15	101⅛	102⅛	+0⅛	−0⅛	13.05
CECA 13½ 88 £	20	103⅛	104⅛	+0⅛	0	12.51
Fin. Ex. Cred. 13⅛ 86 £	15	101⅛	102⅛	0	−0⅞	13.07
Gen. Elec. Co. 12⅛ 89 £	50	102	103	+0⅛	−1	11.88
Hiram Walker 14⅛ 86 £	25	101⅞	102⅞	+0⅛	−0⅛	13.30
Norsk Hydro 14⅛ 87 £	30	104⅞	105⅞	+0⅛	−0⅛	12.92
Privatbanken 14½ 88 £	12	97⅞	98⅞	−0⅛	−2	14.82
Quebec 15½ 87 £	35	104⅞	105⅞	+0½	+0⅛	13.79
Quebec Prov. 14½ 89 £	30	101⅞	102⅞	+0⅛	+0⅛	14.07
Reed (Nd) NV 16⅛ 89 £	25	107⅛	108⅛	+0⅛	+0⅛	14.71
Royal Trustco 14 86 £	12	102	103	+0⅛	0	12.98
SDR France 15⅛ 92 £	30	104⅞	105⅞	+0⅛	+0⅛	14.40
Swed. Ex. Cr. 13⅛ 86 £	20	101⅞	102⅞	+0⅞	−0⅛	12.79
Tenneco Int. 14⅛ 87 £	30	100⅛	101⅛	+0⅛	+0⅛	14.38
Coun. Eur. 12½ 92 LuxFr	500	107⅞	108⅞	0	+1⅛	11.08
Eurofima 10⅛ 87 LuxFr	500	99⅞	100⅞	−0⅛	+1½	10.39

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Allied Irish 5¼ 92	0⅛	98	98½	15/10	15.69	15.97
Bk. of Tokyo 5¼ 91 (D)	0⅛	99⅞	100⅛	8/12	15⅛	15.25
Bk. Nova Scotia 5¼ 93	0¼	97⅞	98⅜	29/10	15⅛	16.39
BFCE 5¼ 88	0⅛	99½	100	28/10	15	15.04
BFCE 5¼ 87	0⅛	99½	100	27/1	14	14.04
Caisse Nat. Tels. 5¼ 90	0¼	99⅜	99⅞	21/10	15⅛	15.81
COCE 5¼ 2002	0⅛	98⅜	98⅞	11/12	15⅛	15.61
CEPME 5¼ 92	0⅛	99⅝	100⅛	10/12	15.44	15.44
Chemical NY 5¼ 94	‡0¼	98½	99	23/9	15.89	16.90
Credit Agricole 5¼ 97	0¼	99⅛	99⅝	24/9	15.44	15.52
Credit du Nord 5¼ 92	0⅛	99⅝	100⅛	23/12	16.81	16.83
Credit Lyonnais 5¼ 97	0⅛	99½	100	1/10	15	18.04
Credit Lyonnais 5¼ 94	0⅛	98⅝	99⅛	1/1	16.94	17.11
Credit Nat. 5¼ 94	‡0¼	98⅝	99⅛	9/3	12.18	12.32
Ireland 5¼ 89/94	0⅛	†98⅝	98⅞	25/11	14⅛	14.87
Kansallis Osake 5½ 92	0⅛	99½	100	5/11	15.31	15.35
Lloyds Eurofin 5¼ 93	§0⅛	99½	100	29/10	17⅛	17.70
Long Term Cred. 5¼ 92	0⅛	98⅞	99⅜	29/11	14⅛	14.70
J. P. Morgan 5¼ 97	§0⅛	99	99½	12/11	12.94	13.04
Nat. West. Fin. 5¼ 91	§0⅛	100	100½	16/1	15⅛	15.21
New Zealand 5⅛ 87	0⅛	99½	100	7/10	15.56	15.60
Nippon Credit 5¼ 90	0⅛	98⅞	99⅜	10/2	13⅛	13.53
Offshore Mining 5¼ 91	0⅛	99⅞	100⅜	2/12	14.19	14.17
PKbanken 8 91	0⅛	100	100½	17/12	15.81	15.77
Scotland Int. 5¼ 92	0¼	98⅞	99⅜	23/9	15⅛	15.57
Sec. Pacific 5¼ 91	0¼	99½	100	24/11	15	15.04
Société Générale 5¼ 95	0⅛	98⅞	99⅜	1/3	12.81	12.93
Standard Chart. 5¼ 91	0⅛	99⅛	99⅝	18/11	14⅛	14.93
Sweden 5¼ 89	0⅛	98⅞	99⅜	26/2	11.87	11.93
Toronto Domin'n 5¼ 92	0⅛	98	98½	11/2	14.31	14.55
Average price changes...		On day 0	on week −0⅛			

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
Ajinomoto 5¼ 96	7/81	933	82	83½	+1⅞	12.04
Bow Valley Inv. 8 95	4/81	23.12	97⅛	99	−0⅛	49.34
Bridgestone Tire 5½ 96	3/82	470	86⅛	87⅛	0	2.40
Canon 5¼ 95	1/81	736.3	107⅛	108⅛	−0⅛	12.86
Canon 7 97	7/82	748.2	118⅛	118⅝	0	7.30
Chugai Pharm. 7⅛ 96	7/82	709.8	114½	116	0	4.99
Fujitsu Fanuc 4½ 96	10/81	5641	82	83⅛	+0⅛	29.31
Furukawa Elec. 5½ 96	7/81	300	95	97	0	4.79
Hitachi Cable 5½ 96	2/82	515	89⅛	90⅛	+0⅛	5.83
Hitachi Cred. Cpn. 5 96	7/81	1612	71⅛	73⅛	+2⅛	14.86
Honda Motor 5½ 97	3/82	835.6	91⅛	92⅞	+0⅛	14.20
Kawasaki 5½ 96	8/81	229	80⅛	81⅛	−0⅛	20.54
Marui 6 96	7/81	846.4	94½	95⅛	−0⅛	7.78
Minolta Camera 5 96	10/81	826.4	62	63½	−0⅛	23.82
Minorco 9⅛ 97	5/82	8.16	†102½	104	+2⅛	7.89
Murata 5⅛ 96	7/81	2168	71⅛	73⅛	+0⅛	25.15
NKK 6½ 96	7/81	188	70⅛	72⅛	−0⅛	24.87
Nippon Electric 5⅛ 97	2/82	846	95	96½	0	12.34
Orient Finance 5¼ 97	3/82	1205	84⅛	85⅛	+0⅛	11.31
Sanyo Electric 5 96	10/81	652	67½	69	+0⅛	22.44
Sumitomo Elec. 5½ 97	3/82	577.3	87½	89	+0⅛	4.72
Sumitomo Met. 5½ 96	10/81	296.1	60⅛	61⅞	+1⅞	54.48
Minebea 6½ 92 SwFr	10/82	567	103⅛	105⅛	−0⅛	2.02
Konishiroku 6⅛ 88 DM	6/82	618	103⅛	104⅛	−0⅛	13.98
Mitsubishi H. 6 89 DM	2/82	263	90⅛	91½	+0⅛	35.10

* No information available—previous day's price.

† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate (‡ three-month; § above mean rate) for U.S. dollars. C.cpn=The current coupon. C.yld=The current yield.

Convertible Bonds: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

Third quarter advance at AT and T

By Paul Betts in New York

AMERICAN Telephone and Telegraph, the dominant U.S. telephone company, yesterday reported net income of $1.97bn for its third quarter ended August 31. Earnings were 5 per cent higher than the $1.87bn earned in the same period last year.

Three-month revenues were 10.7 per cent higher totalling $16.5bn, compared with $14.9bn in the same quarter last year.

For the 12 months ended August 31, AT and T's net earnings totalled $7.33bn on revenues of $63.3bn compared with earnings of $6.44bn on revenues of $55.4bn the year before.

Mr Charles Brown, the chairman, said the latest results "reflect largely the disappointing failure of the national economy to turn up as expected at mid-year." He remained hopeful that the economic climate would be more favourable in the remaining months of this year.

Mr Brown said AT and T hoped to complete its huge divestiture programme, following the historic anti-trust settlement with the U.S. Government this year, by January 1984, or two months earlier than the actual divestiture deadline of February 24, 1984.

Schlumberger in French electronics deal

By Our New York Staff

SCHLUMBERGER, THE leading oilfield service company with large interests in electronics, said yesterday it was in the process of acquiring a majority share in Benson, a French company with revenues of $55m last year which manufactures and develops equipment used in computer aided drafting systems.

The move follows an agreement between Schlumberger, which is incorporated in the Netherlands Antilles, and the principal shareholders of the French company.

Schlumberger declined to disclose the financial terms of the transaction.

Benson operates two development and manufacturing centres—one in France and the other in California. Schlumberger said more than 10,000 Benson systems are installed in industrialised countries

Richard Lambert examines Wall Street's mammoth takeover tussle

Climax near in Bendix battle

ONE OF the most extraordinary takeover battles in Wall Street's history will come to a head in the next few days as Bendix, Martin Marietta and United Technologies struggle to control each others' destiny.

Until yesterday morning, Bendix and Marietta appeared to be heading down a road that could have spelt disaster for both companies. But now the wily Mr Harry Gray, chairman of United Technologies, has seized the initiative with a proposal to increase his earlier bid for Bendix.

"We believe that the present competing tender offers by Bendix and Martin Marietta create an intolerable situation for both companies, their shareholders and employees," he said. "Our offer is an alternative that will resolve the situation."

This intervention comes at a crucial moment on the takeover timetable. After midnight tonight, shareholders who have tendered their Marietta shares to Bendix in response to its offer can no longer change their minds and withdraw their shares. At that moent, Bendix can legally start buying their shares.

It is offering $48 each for 18.5m Marietta shares which, together with its existing 1.6m share stake in the company, would give it 55 per cent of the equity.

Its tender offer has brought preliminary acceptance from holders of 58 per cent of Marietta's shares. But even if none of those shares are withdrawn today, it cannot simply take control of Marietta tomorrow morning.

The reason is that Marietta is a Maryland company and Bendix will have to abide by the takeover laws of that state. Marietta says that under those laws, Bendix will be precluded from effecting changes in Marietta's board pending the outcome of a properly convened special meeting with required notice. The minimum period for such notice is 10 days, which implies that the earliest date on which Bendix could take control of the board would be September 27.

Meanwhile, Marietta's own tender offer for Bendix shares is drawing to a close. Its tender was for 11.9m shares (just over 50 per cent). It brought acceptances from 14.5m—although there is a dispute about 4.5m of those which were sent in by Citibank as trustee for Bendix's employee stock plan.

The last withdrawal date for the Marietta tender is midnight next Tuesday, September 21. And Bendix is a Delaware company, where the takeover rules are much freer than in Maryland. The law in this case is that unless otherwise provided for in a company's certificate of incorporation, any action that is required to be taken by a meeting of shareholders can be taken instead—without a meeting, prior notice or a vote—by a majority shareholder.

Marietta says that this means it can sling out the Bendix board before the Bendix board can change its own line-up.

Bendix has hastily called a meeting of its own shareholders for September 21, in a bid to change its certificate of incorporation and put it on an equal footing with Marietta. If it fails, it is at least possible that the two companies could actually wind up by buying more than 50 per cent of each other. It is hard to see how the result could be anything but financially crippling.

Mr Thomas Pownall, Marietta's president, specifically raised this possibility earlier in the week. "We want it explicitly understood that Martin Marietta intends to purchase 11.9m Bendix shares on the terms of our offer at the earliest time possible—even if Bendix may have earlier purchased Martin Marietta shares under the terms of its tender."

But the latest move from United Technologies significantly reduces the chances of such a stalemate. By proposing to pay considerably more for Bendix shares than Marietta is offering, it becomes much less likely that Marietta will be able to hold on to the Bendix shares which have been tendered to it so far.

Mr Gray says that under his scheme, Marietta would remain independent, and that Bendix and United Technologies could get together quite swiftly, provided the three groups co-operated to get around any anti-trust issues.

But there have been too many twists in this story already for it to be assumed that this will be the final outcome.

United Technologies raises ante

UNITED TECHNOLOGIES yesterday proposed a new takeover deal with Bendix, under which it would raise its cash tender offer for the company from $75 to $85 a share for just over half the outstanding equity. Such a bid would value Bendix at around $1.7bn.

The proposal would give United a decisive edge over Martin Marietta, which is also making a tender offer for Bendix worth $75 a share.

However, the United move could run into anti-trust problems. The Department of Justice has cleared the bids by Bendix and Marietta for each other, but has yet to rule on United's original offer.

Under that scheme, United would have sold on to Marietta any Bendix assets that might have infringed anti-trust laws if retained by United. But United does not appear to have reached a similar understanding with Marietta over its latest proposal.

In a letter to Mr William Agee, the Bendix chairman, Mr Harry Gray, chairman of United, said yesterday: "The new proposal would allow Martin Marietta to remain an independent company. With the co-operation of all three companies, there would be no anti-trust issues, and the merger of Bendix and United Technologies would be completed in a short period of time."

United said that following a tender offer, it would offer to swap one of its shares for each remaining Bendix share—which would be unchanged from its original offer. After the news, United's shares slipped back by $1 to $49.

Mexican shares decision awaited

BY WILLIAM CHISLETT IN MEXICO CITY

TWO WEEKS after the nationalisation of Mexico's private banking system, trading of ordinary shares on the Mexican stock exchange is still suspended, because of the confusion surrounding the Government's policy towards stocks now held by the newly-nationalised bank.

The Government of President Jose Lopez Portillo, which took over the banks' equity stakes in Mexico's trading companies at the same time as it nationalised the banks, has said that it does not intend to retain all the shares. But, with no date yet set for a resumption of share trading on the Mexican stock exchange, the Government's plans are still in doubt.

The banks, chiefly Bancomer and Banamex, the two largest, have shares in those of Mexico's leading companies which are actively traded on the stock market. They include the department store, Aurrera, Celanese de Mexico, a subsidiary of the synthetic fibres and petro-chemicals group, and Kimberly Clark de Mexico.

But the trade unions, which play a powerful role within the Mexican political system, have opposed the Government's suggestion of selling the banks' shares.

Senior government officials said the Government would only retain shares in such companies as Telefonos de Mexico, and Mexicana, the airline company which are already majority state-owned. Officials said that shares in other companies such as department stores, would be sold. However, the policy has yet to be formulated.

The brokerage houses have sugested that trading should be resumed as soon as possible and that the shares of companies which the Government wants to sell should be sold through a secondary offering when market conditions are right.

The stock market is severely depressed at the moment, and investor confidence has plummetted. The 42 stock price index closed at 548.9 on August 31, the last day of trading. The index has declined by 402 points since the end of last year.

Under pre-suspension trading conditions, ordinary shares took up only 8 per cent of total stock market operations.

Inco to sell Rayovac operations

By Our Financial Staff

INCO, the world's largest nickel producer, has signed a letter of intent to sell the U.S., European, Canadian and Far Eastern operations of its Rayovac battery division to Roy Industries, a private U.S. company for an undisclosed sum.

Rayovac's Latin American operations and certain other investments outside the U.S. are not included in the agreement. The portions of Rayovac to be sold had sales of about $200m in 1981.

Rayovac, which makes dry and button cell batteries as well as portable lighting devices, is one of the two remaining wholly owned subsidiaries of Inco Electroenergy Corporation.

Companies and Markets

INTERNATIONAL COMPANIES AND FINANCE

Interfood and Jacobs combined will create a major European company, **John Wicks** reports from Zurich

Entrepreneurial look for Swiss foods merger

SHAREHOLDERS in Interfood, the chocolate maker which trades under the Suchard and Tobler labels, meet in Lausanne tomorrow to vote on their company's proposed merger with Jacobs, the coffee roaster.

The deal—effectively a reverse takeover by Interfood giving the larger Jacobs control of the combined new grouping—is one of the more entrepreneurial schemes to emerge from the Swiss corporate scene in recent years.

Its ratification looks a formality. The Interfood board has said yes to the merger, so has Jacobs and so has Poulain Industries, the French group which controls 45 per cent of the Interfood voting rights.

The new company will be one of the largest food producers in Europe. Future annual sales are estimated at something like SwFr 5bn ($2.3bn), of which about two-thirds would probably be accounted for by Jacobs." The merged company will be particularly strong in Germany, which last year accounted for 26 per cent of Interfood turnover and as much as 52 per cent of Jacobs sales.

Independent auditors had put the value ratio for the merger at three-to-one in favour of Jacobs; correspondingly, new Interfood shares with a combined nominal value of SwFr 101.4m ($47.4m) will be issued to the Jacobs family-owned Colima Holding and to individual family members in exchange for their registered and bearer shares in Jacobs. Thus the Jacobs family will end up with 75 per cent of total new equity and, since the Interfood participation certificates are not involved in the deal, 79.6 per cent of voting rights.

The Interfoods management is all in favour of the transaction. The present Interfood company is itself the result of a merger, Suchard and Tobler having joined hands in 1970 to form what was proclaimed as a "new chocolate concern of outstanding importance in Europe."

As justified as this claim may may have been, the group has not been noticeably dynamic over the intervening years. Turnover has more than doubled to SwFr 1.53bn ($716m), but profit margins have been narrow. In the past five years, group earnings have not once exceeded 1 per cent of sales. Net profit for 1981 was 5 per cent higher at SwFr 15.6m.

Interfood's general manager Jörg von Wyss and the chairman, former Swiss Finance Minister Nello Celio, are particularly keen on getting away from the traditional reliance on a single product range. Today over 85 per cent of turnover still derives from chocolate-based items and almost a further 9 per cent from other kinds of confectionary. Although some subsidiaries—not least the recent acquisitions Chocolaterie Callebaut (Belgium) and Andes Candies (US)—are doing well; market growth is modest, and the company is exposed to cocoa and sugar commodity markets upheavals.

As Dr Celio says, a link-up with Jacobs gives the company a second leg to stand on. This could, in fact, have been brought about only by a merger: Since Interfood was determined not to give up its Swiss nationality, the choice of potential partners was very limited. The biggest food group in the country—Nestlé—would have swallowed Interfood whole. Jacobs was of a much more manageable size, had a product line offering chances of synergy and showed a better return on sales than Interfood.

The Jacobs group has its roots in Germany, where the family set up in Bremen in 1895 and in later years pioneered the large-scale roasting and packaging of coffee for the retail trade. Group sales doubled between 1975 and 1980 but growth dropped to 1 per cent last year due to the strength of the Swiss franc. Turnover was SwFr 2.71bn ($1.27bn), last year, helped by major market shares in Germany, France, Austria and Canada. Net profits totalled SwFr 70.2m.

For all this, Jacobs is even more of a "mono-culture" company than Interfood. Almost its entire turnover is accounted for by coffee, with roasted coffee making up about 90 per cent and instant products only 10 per cent of the whole. In 1981, net profits equalled 2.6 per cent of sales. Like Interfood, Jacobs would benefit from forming part of a larger concern with more financial clout and advantages arising from economies of size.

For this reason the company tried unsuccessfully to merge with the Dutch food group Douwe Egberts in 1973.

Members of the Jacobs family are in favour of the new merger, which will give them the opportunity of turning their investments into cash. The company has been planning a public issue of shares for some time. This month, managing director Klaus Jacobs said part of the family shareholding might be passed on to the public "sooner or later." However, control of the new Interfood will remain firmly in Jacobs hands.

After Friday's shareholder meeting, the question will be whether the merger will be much more than the sum of its parts. The opportunities for synergy between a coffee group and a chocolate group seem limited, though a degree of co-operation is foreseen in such fields as marketing storage and central services.

Rapid rise in half-year net profits for Ahold

BY WALTER ELLIS IN AMSTERDAM

AHOLD, the leading Dutch supermarket chain, increased net earnings for the first 28 weeks of this year by 45 per cent to Fl 30.8m ($11.2m). Sales also rose sharply, from Fl 3.6bn to Fl 4.6bn.

The extent of the improvement in sales is partly accounted for by the inclusion of Giant Foodstores of the U.S., acquired in September last year. Sales, including Giant, went up by 29 per cent. Without the results of the acquisitions, sales rose by 16 per cent.

Inside the Netherlands, turnover was up by 15 per cent, with much of the rise coming from the Albert Heijn stores group. Ahold points out that results in the first six months of 1981 were hampered by the reorganisation of the Miro hypermarket chain and the introduction of keener pricing, with reduced margins, at Albert Heijn. Losses at Miro have been reduced this year, but the position remains unsatisfactory, especially in non-food lines.

Credit deal provides fresh hope for AEG

BY STEWART FLEMING IN FRANKFURT

AEG-TELEFUNKEN is a step closer to avoiding bankruptcy following the announcement that its banks have reached agreement with Bonn over Government credit guarantees.

At a meeting on Tuesday night, the debt-stricken electrical group's banking consortium agreed to advance the remaining DM 400m ($160m) of a DM 1.1bn loan to AEG, a step which has cleared the way for the Government to make available credit guarantees of a further DM 1.1bn.

The key to the agreement over the new credits is Bonn's acceptance that the Government guaranteed credits will rank equally with the DM 1.1bn of bank loans and will not have repayment priority.

The credit agreements mean that a financial basis has been created for AEG to proceed with its composition proceedings (Vergleich) under which; with Court supervision, its debts will be written down by around 60 per cent. Without the agreement, the company would have had to have gone into bankruptcy.

Instead, AEG now faces a protracted period of rationalisation and reorganisation. Herr Heinz Durr, the company's chief executive, is understood to have told the banking consortium that AEG expects to report a loss of around DM 980m in 1982; but, assuming rationalisation measures are successfully pushed through, the company should emerge from losses in 1984.

It is understood that Herr Durr stressed his determination to press ahead forcefully with rationalisation. The aim will be to create a core of AEG businesses with a workforce of around 60,000.

Despite strong worker opposition the company is planning to dispose of important operations in telecommunications, consumer electronics and office equipment. Some loss making businesses which cannot be sold will be shut down.

Bankers yesterday were stressing their determination to support AEG and not to allow disputes — either between banks or between banks and Government—to stand in the way of the rescue of AEG. It has been agreed, for example, to postpone discussion with Bonn over export credit guarantees of DM 600m.

Swedish group to acquire Dutch optical interests

BY WILLIAM DULLFORCE IN STOCKHOLM

FORTIA, the Swedish biotechnology group, is buying for an undisclosed price a Dutch company, Medical Workshop, Europe's leading manufacturer of artificial eye lenses (so-called lenses for intraocular implantation).

The acquisition on the family-owned concern will take place over five years, 45 per cent of the shares being transferred on November 1 this year, then 15 per cent a year for three years and the remaining 10 per cent in 1986.

Medical Workshop's 1981 sales of $3m are expected to grow by 40 per cent this year. It has 40 per cent of the European market for intraocular lenses and some 5 per cent of the U.S. market.

Mr Gunnar Wessman, Fortia's managing director, sees the purchase as a logical step in his company's efforts to expand in the ophthalmic field, which it believes will be its next growth area.

With Healon, the eye surgery aid it recently launched, Fortia had "revolutionised" possibilities for replacing the lens in the human eye, Mr Wessman said.

In the U.S., where Healon was first marketed two years ago, lens replacement operations have doubled and sales of Healon are expected to exceed $20m this year.

Mr Wessman said a completely new market—"perhaps a multi-million dollar market"—was being built up for intraocular lens implantation. Fortia planned to secure its share by buying Medical Workshop, thereby reaping a larger share of the rewards for developing Healon.

Last November Fortia placed $51m of new shares with American investors and acquired a further $5m from other capital markets outside Sweden. In the first half of this year it more than trebled its earnings to SKr 130m ($21m).

Interest charges expected to bring heavy IRI deficit

BY RUPERT CORNWELL IN ROME

HOPES for a major turnaround in the fortunes of IRI, the giant Italian state-owned conglomerate which lost a record L3,132bn ($2.2bn) in 1981, have received a setback.

According to Sig Gianni de Michelis, the Minister for State Shareholdings and thus directly responsible for IRI, the group is currently expected to run up a deficit of L2,148bn ($1.5bn) this year, compared with earlier hopes that the overall loss might be kept to around L1,700bn.

The deterioration primarily reflects higher interest charges than expected on outstanding debt, and the continuing strength of the dollar against the lira. The operating performance of the group's various divisions is in line with expectations, Sig de Michelis said.

The main culprits, as in the past, are the steel sector, headed by IRI's Finsider subsidiary, and its car manufacturing operations, concentrated in Alfa Romeo, owned by Finmeccanica, as well as shipbuilding.

The disheartening news comes just a week before the government is due to name the chairmen of IRI, ENI and EFIM, the three major state-owned corporations, for the coming three years. Sig de Michelis yesterday indicated that the cabinet would opt for change at all three. However, such are the intricate political negotiations involved that nothing may be counted certain until a formal announcement is made.

IRI is currently headed by Sig Pietro Sette, a Christian Democrat, and EFIM by Sig Corrado Fiaccavento, a Social Democrat. ENI, lately a socialist preserve, is being run by Sig Enrico Gandolfi, the special commissioner appointed by the Government

Heavier underwriting loss at Mutual and Federal

BY OUR JOHANNESBURG CORRESPONDENT

AN INCREASED underwriting loss is reported by Mutual and Federal, the South African short-term insurer, for the year ended June 30. The company is controlled by Mutual and Federal Investment, which is in turn 51 per cent-owned by South Africa's largest insurance group, the Old Mutual and 49 per cent by Royal Insurance of the UK.

Though net premium income increased to R111.4m ($96.4m) from R81.9m, the underwriting deficit rose to R2.26m from R1.41m in the previous year.

Mr John Posnet, the deputy managing director, says this was due to the highly competitive nature of the short term insurance market and the fact that premium levels are still inadequate. In addition, there was an increase in the number of large claims, a general increase in the incidence of other claims and a continuing inflationary rise in claims costs.

On the other hand the company has been an active investor in the equity market and was able to take advantage of historically high interest rates. This led to an increase in recurring interest and dividend income to R12.8m from R8.7m.

Mr Posnet says that there are some signs of rises in premiums.

Meanwhile, the dividend total has been increased to 74 cents from 62 cents a share, while earnings rose to 211.6 cents from 140.2 cents a share.

Guardian National ahead

BY OUR JOHANNESBURG CORRESPONDENT

GUARDIAN National Insurance, the composite insurance company which is 51 per cent-owned by Guardian Royal Exchange of the UK improved its net profit from R1.7m to R2.6m (US$ 2.3m) in the six months ended June 30. The company is also owned 18.4 per cent by Liberty Holdings, the holding company of Liberty Life, the largest quoted life assurance company in South Africa.

Net premiums written by the company on the fire, accident and marine accounts for the half-year amounted to R37.3m (R34.3m a year earlier). The small gain reflects the company being more selective in its underwriting policies as well as depressed economic conditions.

The directors said that more realistic rating policies, together with a lower frequency of major losses, meant that the underwriting loss on the short-term operation was cut from R1.5m in the first half of 1981 to R595,000 in the period just ended.

Income on the company's investments rose from R3.2m to R3.8m. Pre-tax profit, as a result of this and the smaller underwriting deficit, was up from R1.7m to R3.2m on which deferred taxation of R582,000 (nil) has been provided.

Earnings per share were 26.3 cents (16.9 cents) and the company has declared an unchanged interim dividend of 10 cents.

Losses at German Mobil

BY OUR FINANCIAL STAFF

MOBIL OIL, the German subsidiary of Mobil of the U.S., suffered losses in the second quarter after a disappointing first three months. The company gave no figures but said small financial benefits from exploration were more than offset by losses on oil product sales.

Mr Herbert Lewinski, Mobil Oil's managing board chairman, has already announced that the company lost about DM 300m ($120m) on refining and sales in the first four months of 1982, against losses of DM 60m a year earlier.

BASE LENDING RATES

A.B.N. Bank	10½%	Grindlays Bank	‡10½%
Allied Irish Bank	10½%	■ Guinness Mahon	10½%
Amro Bank	10½%	■ Hambros Bank	10½%
Henry Ansbacher	10½%	Hargrave Secs. Ltd.	a10½%
Arbuthnot Latham	10½%	Heritable & Gen. Trust	10½%
Associates Cap. Corp.	11 %	■ Hill Samuel	§10½%
Banco de Bilbao	10½%	C. Hoare & Co.	†10½%
BCCI	10½%	Hongkong & Shanghai	10½%
Bank Hapoalim BM	10½%	Kingsnorth Trust Ltd.	12 %
Bank of Ireland	10½%	Knowsley & Co. Ltd.	11 %
Bank Leumi (UK) plc	10½%	Lloyds Bank	a10½%
Bank of Cyprus	10½%	Mallinhall Limited	10½%
Bank Street Sec. Ltd.	12 %	Edward Manson & Co.	12 %
Bank of N.S.W.	10½%	Midland Bank	a10½%
Banque Belge Ltd.	10½%	■ Samuel Montagu	10½%
Banque du Rhone	11 %	■ Morgan Grenfell	a10½%
Barclays Bank	10½%	National Westminster	10½%
Beneficial Trust Ltd.	11½%	Norwich General Trust	10½%
Bremar Holdings Ltd.	11½%	P. S. Refson & Co.	10½%
Brit. Bank of Mid. East	10½%	Roxburghe Guarantee	11 %
■ Brown Shipley	11 %	Slavenburg's Bank	10½%
Canada Perm't Trust	11 %	Standard Chartered	‖10½%
Castle Court Trust Ltd.	11 %	Trade Dev. Bank	10½%
Cavendish G'ty T'st Ltd.	12 %	Trustee Savings Bank	a10½%
Cayzer Ltd.	10½%	TCB	10½%
Cedar Holdings	11 %	United Bank of Kuwait	10½%
■ Charterhouse Japhet	10½%	Volkskas Intl. Ltd.	10½%
Choulartons	10½%	Whiteaway Laidlaw	11 %
Citibank Savings	¶11 %	Williams & Glyn's	10½%
Clydesdale Bank	10½%	Wintrust Secs. Ltd.	11 %
C. E. Coates	11½%	Yorkshire Bank	a10½%
Comm. Bk. of N. East	10½%		
Consolidated Credits	10½%		
Co-operative Bank	*10½%		
Corinthian Secs.	10½%		
The Cyprus Popular Bk.	10½%		
Duncan Lawrie	10½%		
Eagil Trust	10½%		
E.T. Trust	10½%		
Exeter Trust Ltd.	11½%		
First Nat. Fin. Corp.	13½%		
First Nat. Secs. Ltd.	13 %		
Robert Fraser	11½%		

■ Members of the Accepting Houses Committee.
* 7-day deposits 7.25%. 1 month 7.50%. Short-term £8,000/12-months 9.85%.
† 7-day deposits on sums of: under £10,000 7¼%, £10,000 up to £50,000 8%, £50,000 and over 8½%.
‡ Call deposits £1,000 and over 7¼%.
‖ 21-day deposits over £1,000 8½%.
§ Demand deposits 7¼%.
¶ Mortgage base rate.
a Effective from close of business 31 August 1982.

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Profits and dividend rise at Fletcher Challenge

BY OUR FINANCIAL STAFF

FLETCHER CHALLENGE, New Zealand's largest company, has reported net profits of NZ$90.2m (US$65.4m) for the year ended June. Turnover was NZ$2.15bn and a dividend of 17 cents a share has been declared out of earnings per share of 42.5 cents.

The group was formed in January 1981 after a series of mergers in which Challenge took over Tasman Pulp and Paper and then merged with Fletcher Holdings.

For the year ended June 1981, Fletcher Challenge reported a net profit of NZ$96.3m but this included 15 months' profits of Fletcher Holdings and Tasman Pulp and Paper. On an annualised basis group earnings were NZ$80.7m. Last year the group paid a 15 cents dividend out of earnings of 37.4 cents a share.

The company said its profit performance was "reasonable in the light of international economic conditions" although the growth was substantially below New Zealand's inflation rate of 17 per cent.

Fletcher Challenge is active in virtually every major sector of the New Zealand economy, including farming, forestry, construction, fishing, building materials and financial services.

Economic conditions are having a particularly adverse affect on the gronp's timber, pulp and newsprint operations.

"Most of the group's business areas face more difficult trading conditions and it would be hard to maintain the same level of earnings for the current year," the company said.

The group struck its net profit after extraordinary gains of NZ$3.1m (against NZ$5.9m a year earlier), a loss of NZ$6.8 on asset revaluations (NZ$1.7m) and tax of NZ$29.8m

Guthrie Ropel slightly ahead

By Wong Sulong in Kuala Lumpur

GUTHRIE ROPEL, a subsidiary of Guthrie Corporation said its pre-tax profit rose by 6 per cent to 8m ringgit (US$ 3m) on a turnover which rose 5 per cent to 41m ringgit for the half-year ended June.

The plantation company said the slight improvement in profit followed a substantial improvement in its rubber and palm oil crop, which was largely neutralised by lower prices.

It expected the full year's earnings to be lower than the 17.6m ringgit of 1981.

● Keck Seng, also a plantation company, reported turnover 13 per cent higher at 59m ringgit. Pre-tax profit fell by 12 per cent to 5.3m ringgit for the half-year ended June.

Recession fails to check Murray and Roberts

BY OUR JOHANNESBURG CORRESPONDENT

MURRAY AND ROBERTS, one of South Africa's largest construction companies, maintained strong growth in the year ended June 30 despite the country's deteriorating economy. Group turnover rose to R1.7bn ($1.48bn) from R1.22bn and operating profit before tax increased to R77.8m from R50.8m.

The company has benefited from the follow-through of orders placed as long as 18 months ago, but the directors believe that trading conditions will become more difficult in the current financial year. This year's earnings are expected to be unchanged.

The company suffered heavy—though unquantified losses—in its Amardah oil rig construction subsidiary, but Mr Bill Bramwell, chief executive, hopes that the operation will recover this year

Murray and Roberts' control structure was altered in the year just ended, which has entrenched the control of its parent company Anchusa and placed Murray and Roberts in a better position to use its own paper to pursue acquisitions.

A total dividend of 60 cents a share has been declared from earnings of 204 cents a share. In the previous year earnings per share were 157 cents and a total dividend of 46 cents was paid.

Humes lifts earnings and payout

By Michael Thompson-Noel in Sydney

HUMES, the Australian concrete, steel and plastics group, has reported a 27.7 per cent boost in consolidated operating profit for the year to June 30, 1982. Final dividend will be 6 cents per ordinary share, against 5 cents previously, making a total of 10 cents per share against 8 cents.

Consolidated operating profit in the latest year was A$18.28m (U.S.$17.57m), against A$14.32m the year before. The result included consolidated profits of ARC Industries for the six months to June 30.

Increased profits for the reconstructed group were expected in 1982-83 said the company. Orders in hand at June 30 totalled a record A$227m.

Apart from its acquisition of ARC Industries for approximately A$150m, Humes' results for the lates year were also influenced by the sale of Hume Industries (Far East) for A$88.2m.

The group reported a disappointing profit of only A$1.46m from its subsidiary Steel Mains, because of deferral of contracts and its share in a joint venture loss on the North West Shelf project. But most other companies in the group had traded well.

Rights issue for Wormald

By Our Financial Staff

WORMALD International, the Australian security and fire protection equipment maker, has reported a 5 per cent increase in net earnings for the year ended June to A$28.1m (U.S.$27m). Group sales rose by 10 per cent to A$787m.

The company has declared a final dividend of 10 cents a share making a total of 20 cents for the year, unchanged from a year earlier.

Wormald also announced a one-for-six rights issue at A$1.80 a share against a closing trading price yesterday of A$2.60. It hopes to raise A$20.34m through the issue, which will be used for working capital and to redeem preference shares.

Sales in Australia, the U.S., India, Africa and New Zealand show continued growth while sales in Europe and the Middle East are satisfactory, the company said.

The slump in UK operations, however, has continued and the division turned in a loss with a sales decline of about 15 per cent.

INA bearings giant holds to its secretive ways

A privately-owned West German concern which ranks in the top echelon of world bearings manufacturers, is faced with internal reorganisation. It is unlikely to depart from what has been described as an unwillingness "to tell you if it's sunny outside." reports Mark Webster

IT TOOK nearly two years before the owner of the West German bearing makers, INA, would approve the text of an inoocuous sales brochure. Such is the secrecy which surrounds the family-owned husiness that despite its having an estimated 5 per cent of the world market in bearings, no precise figures on its affairs have ever been published.

INA is the brainchild of two hrothers, Georg and Wilhelm Schaeffler, who fled, with some machinery from their carpet and bearings factory, from Silesia only three days before the Russians arrived during the Second World War. Since then, they have huilt up a business with an annual turnover of some DM 2bn ($790m), of which nearly half comes from bearings sales.

Competitors in the business have an open admiration for the way the two Schaeffler brothers have conducted their affairs. "They fight fair in a highly competitive market." says one leading bearing maker. "But they won't tell you if it's sunny outside."

INA seems to enjoy its enigmatic role as the joker in the bearings pack, aod refuses any comment oo competitors' suggestions that it has a 3 to 4 per cent profit on turnover. "We consider the return on capital more important, since we are a capital intensive industry," says Dr Lorenz Raith, the managing director marketing. "We oeed a 10 to 12 per cent return on that and we are getting far less than that."

What makes it impossible to establish any figures about the husioess is the make-up of the Schaeffler empire. The bearings side estahlished itself in West Germany as a series of partnerships between the two brothers, hoth of whom had unlimited liability, and companies abroad for each manufacturing or distribution unit. In the words of INA: "They have nothing to do with each other apart from the coincidence that they belong to the same people."

The structure, not unusual among West German family businesses, has two important implications for INA. The first is that each unit falls below the minimum for disclosing any figures about its operations. The secood is that it does not have to comply with West Germao law obliging larger companies to have workers' representatives on the supervisory board.

INA denies that it has anything to hide in the way it runs its affairs. "It is just the way we grew," says Dr Raith. But the secrecy lies very much in keeping with tha characters of the two Schaeffler hrothers, the elder of whom, Wilhelm, died last year, leaving his 65-year-old brother Georg in charge.

The brothers adopted a modest style of living in Herzogenaurach, near Noremberg, on their starting up after the war, with Wilhelm taking charge of the accounts and Georg becoming the technical expert. Georg remains most at home wandering through the factory, and is said to know every machine in every plant and its capacity.

Although Georg is apparently not so much at home with the financial side of the business, his brother left things in good shape. The other 50 per cent of turnover is accounted for by the textile business (mainly carpets) and a 50 per cent atake in the Valeo clutch making company. The carpet business has been turned round in recent years after running into some difficulties.

The bearings side of the husiness has meanwhile continued to grow in value terms at a rate of some 10 to 15 per cent a year. The brothers started by making only needle roller bearings, a technique which they were ohliged to learn during the war. But since then, INA has diversified into nearly 15,000 different bearings types, and needle bearings now account for only two-thirds of total sales.

Even sn, INA does not wish to lose its image as a needle bearings specialist, and its production of some 5bn needle hearings a year gives it a world market share in that area of 30 to 40 per cent.

Dr Raith believes there have been two main reasons for the success of INA since the war. The first is its strong customer relationships and the strong ense of loyalty within the workforce to the Schaeffler family.

The second reason is the close attention to innovation and design and application engineering. INA has always been a technically oriented business, according to Dr Raith, and the sales force has always been composed of engineers rather than straight salesmen.

Concentration on the market it knows best has made INA a force to be reckoned with at home and abroad. INA has an estimated 15 per cent of the West German market in all bearings, and it exports nearly one-third of local production. When its plants abroad in Europe end overseas are included, about 50 per cent of total sales are at home and 50 per cent ahroad.

For the future, INA believes that its best market for expansion is in the U.S., where needle bearings have not made the impact they have in Europe.

In the meantime, important changes are taking place within INA. Since Wilhelm died last year, his fortune has passed to his brother's eldest son, e 17-year-old called Georg like his father. The younger Georg is still studying, and the original partnership is being altered so that he will take on only a limited liability for the various partnerships.

But West German law demands a second full partner who will take unlimited liability. One of INA's customers says he has been informed in a letter that a limited liability company was to be set up, comprising five managing directors with full executive authority, who would be picked from INA's existing staff.

The changes will not make INA any more open in the future, according to Dr Raith. "I do not see any reason why we should become more open towards the public as long as we remain privately owned. If there is to be a change in the future, it would be much more likely that we would allow our employees to become shareholders."

Danot group moves ahead

BY L. DANIEL IN TEL AVIV

DANOT, the investment company formed hy a group of leading Israeli industrialists less than three years ago, reports that its profits for the six months ended June 30, came to Sh48.7m ($1.7m), compared with only Sh6.7m in the first half of 1981.

Net profits as adjusted to the rise in the cost of living index came to Sh19.3m. This represents a sharp tornround from last year's adjusted loss of Sh26.1m.

Mr David Golan, Danot'a managing director, predicts that profits will accelerate in the second half of this year. Danot's investments are mainly, hut not exclusively, in the banking field.

Gain for drugs supplier

BY OUR FINANCIAL STAFF

DAINIPPON Pharmaceutical Company increased its consolidated net income for the year to May 31 by 31.5 per cent to Y1.68bn ($6.4m), from Y1.27bn the previous year. Profit margins improved, as sales rose 12.7 per cent to Y65.79hn ($250m), from Y58.393hn.

The results were in line with the company's unconsolidated earnings, which went up 31.5 per cent to Y1.66bn, on the back of a sales rise of 11.9 per cent to Y59.49bn.

The company predicts that earnings will rise more quickly than sales over the full financial year.

Consolidated net profits for the 12 months are expected to reach Y2.02bn, to show a 20.5 per cent increase, and sales to rise 10.2 per cent to Y72.5bn.

APPOINTMENTS

New chairman for Eastern Electricity

Mr James Cadzow Smith has heen appointed chairman of EASTERN ELECTRICITY from October 1 He has been chairman of the East Midlands Electricity Board since 1977. He succeeds Mr Cyril Wickstead who has beeo chairman of Eastern Electricity since 1978 and who retires on September 30.

★

Mr Bryan S. Pickering, who has been with Arrowcroft Group for two years is to join the board of ARROWCROFT MANAGEMENT from October 1 as development director.

★

Mr David Huntingdon has been appointed to the board of THORN EMI DATATECH with overall responsibilities for marketing, sales and service operations. He wes previously marketing manager of the company's data products division.

★

CIC VIDEO, a division of CIC International, which is jointly owned by Paramount Pictures and Universal Pictures, has appointed Mr Brian Jeffery as vice-president, based io London. He goes to CIC after 22 years with EMI Records, where he was director, music business development.

★

Mrs Jennifer Clay will become BRITISH AIRWAYS' first woman area manager in the UK next mooth when she becomes manager Scotland. Currently British Airways' manager western U.S., based in Los Angeles, she was the first woman to become an airline area manager overseas when she took the joh in August 1979.

★

Mr Graham Cavanagh has been appointed manager of the IMI overseas and marketing department from October 1. He was assistant manager.

★

Mr Graham Clarke has beeo appointed sales and commercial director at FAIREY ALLDAY MARINE, a member of the Fairey Holdings Group. He was formerly director of the Gosport aluminium busioess. Mr Clarke joined Fairey Allday Marine 18 months ago from British Shipbuilders where he was executive assistant to the chairman.

★

PROVIDENT FINANCIAL GROUP has appointed Mr Edward Davies (formerly joint managing director) as managing director. Mr Alan M. Edgar (formerly joint managing director) has resigned hecause of ill bealth.

★

Mr Herbert Houghton, chairman, has decided to reduce the extent of his involvement with STENHOUSE HOLDINGS to enable him to devote more time to business and personal affairs in the U.S. aod has therefore resigned as chairman. He will be remaining on the board as a non-executive director. Mr Arthur W. John, who has been a director of Stenhouse Holdings since 1976, bas been elected chairman. Mr John B. Devine has heen appointed a director. He is chairman and chief executive officer of Reed Stenhouse and Partners and is a director of Reed Stenhouse Companies of Canada.

★

London Midland Region of BRITISH RAIL bas appointed Mr David J. Maidment as chief operating manager. Previously consultancy services manager at BR board beadquarters, he succeeds Mr John Gregory who is retiring after more than 42 years' service with the railways.

★

Mr Charles Rae Clayton Fryers has retired as group chief executive and chairmao of HUNSLET (HOLDINGS) and has been appointed non-executive chairman. Mr Peter John Osborne Alcock, managing director, becomes group chief executive. Mr Keith Alcock, group design and development director, has been appointed joint managing director. Mr George David Gawthorpe, group plant development director and Hunslet, manufacturing director, was appointed joint managing director.

★

Mr Christopher Varley has heeo appointed managing director of WATNEY MANN AND TRUMAN BREWERS EXPORT. He was previously the company's director of national on-sales. The export appointment is a new position.

★

GIBSON ELEY, consultant surveyors, Reading, has appointed as chief executive (finance and administratioo) Mr J. A. Macdonald, formerly a managing director of a Scottish subsidiary of Rank Hovis McDougall.

★

The Traosport Secretary has appointed Sir John Hoskyns as part-time special adviser on transport issues. He was a policy adviser to the shadow cabinet from 1977-79 and head of the Prime Minister's policy unit from 1979 until April this year.

★

Mr Peter A. Martin and Mr Brian M. White have joined the board of ALVIS as commercial director and financial director respectively.

COMMODITIES AND AGRICULTURE

Australian rain 'came too late'

RAINS in south eastern Queensland have broken the long drought but have come too late to allow for additional wheat planting, said the U.S. Department of Agriculture yesterday.

The light rain which fell over a vast area of southern Australia last week was insufficient to provide any lasting relief from the severe drought affecting the eastern wheat growing region of the country, USDA said.

● PHILIPPINE coconut oil mills with multinational parents have expressed concern over new regulations which prevent them from exporting coconut oil. The rules were contained in a directive issued last week by President Ferdinand Marcos. Procter and Gamble, one of the oil mills affected, is expressing serious concern over the prohibition.

● THE UK Monetary Compensatory Amount (MCA) for wheat will rise to £13.153 a tonne on September 20 from £11.801, if the forecast by the Intervention Board for Agricultural Produce of a UK monetary co-efficient of 0.893 proves correct. The MCA for barley, maize and rye will also rise to £11.867 per tonne from £10.647.

● INDONESIA'S 1982 rice crop is expected to be a record 23m tonnes, compared with 22.3m last year, Junior Minister for Food Production Ahmad Affandi, said yesterday.

● AUSTRALIA has imposed controls on the amount of beef exports to the U.S. to prevent shipments exceeding the level which would trigger import quotas, its Trade Department has announced. The Australian Meat and Livestock Corporation said exporters must now seek the AMLC's approval before they can send meat to the U.S.

● SOVIET MEAT production from state and collective farms in the first eight months of 1982 fell to 9.712m tonnes, from 9.814m for the same period last year, according to Ekonomicheskaya Gazeta magazine.

● SPANISH olive oil exports at 24,500 tonnes for the first nine months of the current season, were 42.5 per cent down on the same period last year says the Spanish Olive Oil Exporters' Association.

World sugar near 9-year low

BY TERRY POVEY

WORLD SUGAR prices continued to fall yesterday with the London daily price for raws set in the morning only £2 above a nine-year low, at £82 per tonne.

According to traders there is little to prevent sugar prices from continuing their current downward move, as all estimates for this season's EEC crop and sugar crops elsewhere indicate that the world's stocks will grow over the coming year.

The sale yesterday of 83,500 tonnes of white sugar at a maximum export rebate of 38.88 ecu's per 100 kilo by the EEC at its regular weekly tender had no marked affect on prices. Dealers said it only confirmed the existence of, temporarily, an increased demand for white sugar from those countries who would have to buy sugar at some point.

The purchase by Egypt of a reported six cargoes of whites yesterday, some 60-70,000 tonnes, falls into this category, the dealers said.

On the London futures market, the active March position fell yesterday by £2.90 to close at £106.55 per tonne.

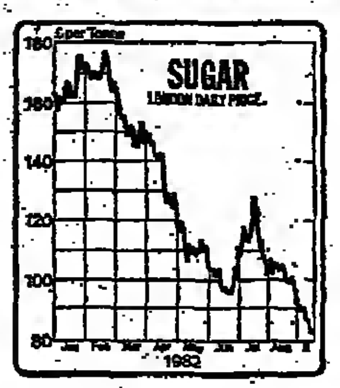
According to the World Sugar Journal, production in 1982/83 will exceed consumption by 3.43m tonnes. As a result world stocks could increase to 7.69m tonnes from their current level of 5.37m.

The journal's estimate of stocks excludes the 1.4m tonnes held by members of the International Sugar Organisation and some 16m tonnes held commercially.

● Reuter reports from Brasilia: that Brazil, the U.S. and Australia are to take joint action over European Community sugar subsidies, Brazil's Industry and Commerce Ministry said yesterday.

The countries first plan to lobby Community authorities at the administrative level over the subsidies, which they see as prejudicial to the world sugar price and if that fails, bring the issue up in an international forum.

Falling world sugar prices could push Brazil's export earnings from the commodity below $700m this year compared with $1.1bn last year, the Ministry said.



Denmark in German cod deal

BY HILARY BARNES IN COPENHAGEN

CONCESSIONS BY Denmark have paved the way for a resolution of the Greenland cod-catch dispute with West Germany.

A delegation led by Mr Uffe Ellemann-Jensen, Foreign Minister, agreed at a meeting in Bonn on Tuesday evening that West German trawlers should be allowed to take 5,000 tonnes of cod off West Greenland between now and November 1.

Following this agreement the West German Government has said it will drop the case it had threatened to bring against Denmark in the European Court and that it will give its support to a generous trade agreement between the EEC and Greenland when Greenland leaves the EEC in 1984 or 1985.

The dispute arose after the Social Democratic Government in Denmark, which resigned on September 3, threatened to arrest German trawlers if they started fishing for 2,000 tonnes of cod off Greenland this month, part of a 10,000-tonne quota awarded to West Germany by the EEC Commission in the summer fisheries negotiations.

The quota was not formally approved, however, because Denmark prevented final agreement on the Common Fisheries policy.

Mr Laurids Toernaes, Danish fishermen's leader and Liberal member of the Folketing, said the deal clinched in Bonn would strengthen Denmark's position in the further negotiations on the Common Fisheries policy, to take place in Brussels on October 4.

However, Mr Karl Hjourtnaes, former Fisheries Minister, has claimed that the new Government has thrown away one of its few bargaining counters.

Norway protests over capelin fishing

BY FAY GJESTER IN OSLO

NORWAY has renewed its protests to the EEC Commission about Danish fishing for capelin in the waters around the Svalbard (Spitzbergen) Archipelago, where Oslo claims the right to enforce a fishery protection zone, setting quotas for the total allowable catch of various types of fish.

It is suggesting that if the EEC countries do not agree to hold catches around Svalbard at previous levels, it will reduce the catch quotas in its own economic zone which it had planned to offer the EEC under next year's fishery agreement with the Community.

The capelin, a small, distant cousin of the salmon, is mainly used for making fish meal and oil. It accounts for a large part of Norway's total fisheries. The Norwegians say stocks are threatened by the intensive Danish activities.

Sharp fall in tin market

By John Edwards, Commodities Editor

TIN PRICES fell back again on the London Metal Exchange yesterday as the market came under heavy speculative selling pressure. Cash tin closed £197.5 down at £7,252.5 a tonne, showing a loss of £477.5 this week.

Selling interest was triggered off by a further decline in the Straits tin price, which fell by 90 cents to $M29.40 a kilo. This was the third successive decline in the Penang market this week, in spite of a low turnover of only 90 tonnes.

It has raised doubts about the ability of the buffer stock of the International Tin Council to control prices. However, support buying, believed to be on behalf of the buffer stock, came in at the lower levels on the London market yesterday.

London base metal values were generally under pressure yesterday in line with the fall in gold. Higher grade cash copper closed £6.5 down at £838 a tonne. In New York, Asarco said it was cutting its U.S. domestic selling price for copper by 1.5 cents to 68.5 cents a lb. In Vancouver, Noranda said it is closing the Bell copper mine in British Columbia indefinitely because of low copper prices.

Meanwhile, Noranda and Electrolytic Zinc of Australia, both yesterday raised their selling prices for zinc outside North America by $50 to $850 a tonne. This follows the rise to $850 announced by Cominco of Canada last Friday. So far, European smelters have made it plain that they consider a rise in the European producer price from its present level of $800 cannot be sustained.

In Toronto, Noranda Mines said talks were continuing between negotiators for its Canadian electrolytic zinc plant at Valleyfield, Quebec, and the striking United Steelworkers' Union. Workers struck on June 9.

The plant produced 224,000 short tons of zinc in 1981, working at about 94 per cent of capacity.

MARKET PROFILE: POTATOES

Confusion deepens over size of crop

BY DAVID RICHARDSON

THIS YEAR'S UK potato crop seems set to break all records for average yield per hectare. The Potato Marketing Board, the Ministry of Agriculture, the trade and even most growers, agree that it is a very big crop.

There is not quite as much unanimity however on just how big, nor on the likely effect it will have on prices, supplies or imports.

The PMB, for instance, in a declared attempt to add "transparency" to the potato market, has for the first time this year given estimates of the expected yield per hectare and the total tonneage.

The board's predicted yield, which seems to have been arrived at more by reference to straight line projections from previous years' results than from any detailed survey of the crop, is put at 36.6 tonnes per hectare. On the acreage planted this would imply a total crop of more than 6.5m tonnes, which is 10 per cent up on last year.

The PMB went on to suggest, however, that because of things like reduced carry-over stocks from last season, an expected increase in consumption to an unprecedented 107 kg per person, and a presumed capability to cut imports, there would be a slight deficit of supply to demand of 54,000 tonnes by next summer.

The board also reminded all concerned that it controls 517,000 tonnes of potatoes contracted to it during its buying programme earlier this year and that because of this it "held the ring" and could exercise considerable control over prices and supplies.

Some traders, on the other hand, are convinced that the PMB's estimates of virtually perfect balance in the market looks too good to be true. They are convinced that the crop is bigger than the board admits and that even without excessive imports there will be a surplus of a few hundred thousand tonnes.

Potato merchants, it should be said, always talk like that because it helps to bring the ex-farm price down. Nevertheless, their argument appeared to gain validity when it was announced that next year the PMB seeks to reduce the quota for growing potatoes by some 2,000 hectares.

If consumption is rising and predictions of a slight shortage of potatoes next spring are genuine, where is the logic in cutting back the home-grown crop? All that would do is suck in more imports.

Such questions, predictably, cause some embarrassment at PMB headquarters. The explanation, somewhat reluctantly given, is that the board is not an entirely free agent in these matters and that next year's cut was dictated by the Ministry of Agriculture and beyond that the Treasury, which seeks to limit government commitment to the potato price through the guarantee system.

Always assuming this is an accurate interpretation, it raises the question of whether the Government is now content to see increasing tonnages of potatoes imported as a regular source for part of the UK supply. It may also represent a departure from previous policy, which stated that the PMB should endeavour to budget for growing a slight surplus in this country.

Meanwhile, the Ministry of Agriculture has issued its own assessment of likely UK potato yields, and has pitched them at 35.6 tonnes per hectare, exactly 1 tonne per hectare less than that estimated by the PMB.

In other words the Ministry appears to be suggesting a bigger shortfall of supplies than the PMB, while at the same time imposing cuts in the area of next year's crop.

Given that the declared aim of all these estimates is to provide market transparency it would be difficult to imagine a more confused picture. It is hardly surprising therefore that trade on the potato futures market has been desultory and dull. It was reported, in fact, that on one day recently there were only two trades.

It can only be assumed that speculators have discounted these conflicting reports, and others of 50-tonne-plus-per-acre crops in some areas against severe and debilitating attacks of blight elsewhere, and calculated that the market has got it about right.

Certainly, current futures levels would be considered reasonably satisfactory and realistic by growers, should they be required to deliver against a contract.

French farm aid opposed

BY LARRY KLINGER IN BRUSSELS

FRANCE yesterday came nearer to being placed in the dock at the European Court over cash aids to its farmers.

The European Commission rejected French arguments that payments of around £1.25m by the Credit Agricole farmers co-operative bank did not contravene EEC rules governing free trade in agriculture.

France still has a last chance to submit further legal argument to stave off full court action, but the feeling within the Commission yesterday was that the case would now go ahead.

Several EEC member-states, especially Britain, have been seeking Commission action since France announced a £500m farming aid programme at the end of last year.

The Commission accepted most of the French measures but said the Credit Agricole funds provided to around 630,000 "least favoured" farmers did not conform with the Treaty of Rome.

LONDON OIL SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)		
Arabian Light	33.00	+0.36
Iranian Light	31.20	+0.20
Arabian Heavy	30.20-30.70	+0.22
North Sea (Forties)	35.85-34.00	+0.27
African(Bonny Lt'ht)	34.50	+0.25
PRODUCTS—North West Europe CIF ($ per tonne)		
Premium gasoline	348-352	—
Gas oil	304-313	+2.0
Heavy fuel oil	164-167	+0.5

GAS OIL FUTURES

The market opened unchanged to slightly stronger and steadied with continuing good demand on the physical market. After reaching the highs the market eased back on light profit-taking, reports Premier Man.

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per tonne		
Sept	304.50	+3.00	304.00-02.50
Oct	308.25	+1.75	308.75-03.00
Nov	312.00	+1.00	312.75-11.00
Dec	314.00	+0.50	315.25-13.50
Jan	313.00	+0.50	314.00-12.00
Feb	310.75	+2.75	—
March	305.00	......	—
April	303.00	......	—
May	298.50	+1.50	—

Turnover: 2,748 (2,226) lots of 100 tonnes.

GOLD MARKETS

Gold fell $10 an ounce from Tuesday's close in the London bullion market yesterday to finish at $443-444. The metal opened at $442-443½ and traded between a high of $446-447 and a low of $442-443. Trading was generally uneventful and news of the death of Lebanon's President-elect appeared to have little effect on the market.

In Frankfurt the 12½ kilo bar was fixed at DM 35,665 per kilo ($443.02 per ounce) against DM 36,350 ($450.02) previously and closed at $442-445 from $453-$455.

In Luxembourg the dollar per ounce equivalent of the 12½ kilo bar at the fixing was $446.25 compared with $450.0 on Tuesday.

In Paris the 12½ kilo bar was fixed at FFr 99,000 per kilo ($436.14 per ounce) in the afternoon compared with FFr 99,000 ($435.68) in the morning and FFr 99,000 ($432.80) on Tuesday afternoon.

In Zurich gold finished at $442½-444½ from $453-456.

LONDON FUTURES

Month	Yest'rday's close	+ or —	Business Done
	$ per troy ounce		
Sept'mb'	256.00-8.80	-8.250	—
October	258.10-8.50	-7.350	258.30-57.4
November	260.00-1.50	-7.750	—
December	262.00-2.20	-8.800	265.50-4.70
January	264.50-8.50	-8.500	—
February	267.00-8.00	-7.750	—
March	269.30-70.3	-7.575	—

Turnover: 330 (385) lots of 100 troy ounces.

Gold Bullion (fine ounce)	Sept. 15		Sept. 14	
Close	$443-444	(£258¾-259¼)	$453-454	(£263-263½)
Opening	$449-443½	(£258¾-259¼)	$449-450½	(£262½-263¼)
Morning fixing	$444.75	(£260.087)	$452	(£264.173)
Afternoon fixing	$443.25	(£258.608)	$454.25	(£260.690)

Gold Coins Sept. 15					
Krugrnd	$446½-448½	(£261½-262½)	King Sov	$106-107	(£61¼-62¼)
½ Krug	$255½-254½	(£136¾-137¼)	Victoria Sov	$106-107	(£61¼-62¼)
¼ Krug	$119-120	(£69¾-70¼)	French 20s	$90¼-92½	(£52¾-54¼)
1/10 Krug	$48½-49½	(£28¼-28¾)	50 pesos Mex	$536-540	(£311¼-316)
Mapleles	$449½-451½	(£263¼-264¼)	100 Cor. Aust	$430-435	(£251¾-254¼)
New Sov	$104½-105½	(£61¼-61¾)	$20 Eagles	$475-485	(£278-289¼)
½ New Sov	$61-63	(£35¾-36¾)			

BRITISH COMMODITY MARKETS

BASE METALS

TIN VALUES FELL SHARPLY on the London Metal Exchange as renewed weakness at Penang was followed by persistent speculative selling in London. Three months fell to the day's low of £7,150 before buffer stock support prompted a rally to £7,236 at the close. Copper drifted and was finally £852.5, while Lead and Zinc closed at £308.5 and £449.5, respectively, with the latter sustained by news of Noranda increasing its European producer price to $850, along with EZ and Cominco.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
HighGrde	£	£	£	£
Cash	834.5-5	-3	837.5-8.5	-6.5
3 months	852.5-3	-5.5	856-7	-5.25
Settlem't	835	-3	—	......
Cathodes				
Cash	808.5-9	-1.75	811-2	-5.5
3 months	829-30	-3	835.4-6	-5
Settlem't	809	-2	—	......
U.S. Prod.	—	—	*70-75	......

Amalgamated Metal Trading reported that in the morning cash Higher Grade traded at £835.00, 34.50, 35.00, three months £856.00, 55.00, 54.00, 54.50, 54.00, 53.00, 52.00, 52.50. Cathodes, cash £808.00, 09.00. Kerb: Higher Grade, cash £836.0, three months £853.00, 53.50, 53.00. Afternoon: Higher Grade, three months £854.00, 54.50, 55.00, 54.50, 56.50, 55.00, 55.50, 56.00. Cathodes, three months £833.00. Kerb: Higher Grade, three months £854.00, 53.50, 53.00, 52.50, 52.00, 51.00, 50.50, 51.00, 51.50, 52.00, 51.00, 52.00, 53.00, 52.50. Turnover: 28,400 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7590-30	-110	7250-5	-197
3 months	7260-70	-157	7200-5	-198
Settlem't	7530	-110	—	......
Standard				
Cash	7520-30	-110	7250-5	-197
3 months	7260-70	-157	7200-5	-198
Settlem't	7530	-110	—	......
Straits E.	†$29.40	-0.90	—	......
NewYork	—	......	—	—

Tin—Morning: Standard, three months 7,300, 7,280, 80, 70, 60. Kerb: Standard, three months £7,270, 65, 60, 50, 40. Afternoon: Standard, three months £7,240, 30, 20, 10, 05. Kerb: Standard, three months £7,200, 7,180, 60, 50, 60, 80, 90, 7,220, 25, 30. Turnover: 2,640 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	298-.5	-3	297-8	-4.5
3 months	308.5-9	-3.5	308-.5	-4.5
Settlem't	298.5	-3	—	......
U.S. Spot	—	......	*26-8	......

Lead—Morning: Cash £299.00, three months £310.50, 10.00, 09.00, 08.50, 08.00, 08.50, 09.00, 09.50, 10.00, 09.00, 08.50. Kerb: Three months £308.00, 08.50. Afternoon: Three months £308.00, 08.50, 08.00, 07.50, 08.00, 07.75, 08.00, 08.50. Kerb: Three months £309.00, 08.00, 07.50, 08.00, 09.00. Turnover: 12,775 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	438-.5	-6.5	441-3	-2.75
3 months	445-.5	-6.5	448.5-9	-2.5
Settlem't	438.5	-6.5	—	......
Primw'ts	—	......	37-40.5	......

Zinc—Morning: Three months £448.00, 46.50, 45.50, 45.00. Kerb: Three months £448.00. Afternoon: Three months £455.50, 46.00, 46.50, 47.00, 48.00, 49.00. Kerb: Three months £449.00, 50.00. Turnover: 12,025 tonnes.

Aluminm	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Spot	554.5-5.5	-4	555-6	-9
3 months	583.5-4	-2.75	583-.5	-2.5

Aluminium—Morning: Cash £565.00, three months £584.50, 83.00, 83.50, 84.00. Kerb: Three months £583.00, 83.50. Afternoon: Three months £583.00, 83.50. Kerb: Three months £583.00. Turnover: 4,300 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —
Spot	2430-5	-65	2470-80	-55
3 months	2480-0	-70	2500-10	-42.5

Nickel—Morning: Cash £2,450, three months £2,490, 85, 90, 85. Kerb: Three months £2,485, 90. Afternoon: Three months £2,490, 95, 2,500. Kerb: Three months £2,520, 30, 20. Turnover: 798 tonnes.

SILVER

Silver was fixed 8.2p an ounce lower for spot delivery in the London bullion market yesterday at 517.5p. U.S. cent equivalents of the fixing levels were: spot 887.7c, down 7.6c; three-month 910.8c, down 9.7c; six-month 938.9c, down 8.2c; and 12-month 987.0c, down 11.3c. The metal opened at 518-521p (895-890c) and closed at 522-525p (895-900c).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	517.50p	-8.20	521.0p	-11.5
3 months	529.50p	-8.95	533.5p	-11.7
6 months	543.80p	-8.25	—	......
12 months	569.45p	-7.55	—	......

LME—Turnover 81 (172), lots of 10,000 ozs. Morning: Three months 530.0, 31.40, 28.5, 28.0, 28.0. Kerb: three months 528.5. Afternoon: three months 537.0, 36.0, 34.0, 32.0, 32.5, 32.0, 33.0, 34.0 Kerb: nil.

COCOA

Futures failed to open as low as expected and strong commission house and chartist buying strengthened prices. Trade house selling and jobber profit-taking pared the gains at the close. Actuals business remained scarce, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
	£ per tonne		
Sept	999-1001	+15.5	1007-980
Dec	1026-27	+10.0	1039-07
March	1000-56	+9.0	1070-35
May	1073-74	+7.5	1083-57
July	1094-96	+7.50	1101-075
Sept	1106-10	+15.0	1117-097
Dec	1125-28	+12.0	1132-30

Sales 5,248 (4,284) lots of 10 tonnes.

ICCO—Daily price for Sept 15: 79.24 (78.53). Indicator price for Sept 16: 77.09 (70.65).

COFFEE

Most positions reached new contract highs as the recent trend continued, reports Drexel Burnham Lambert. From a modestly better opening values climbed to their highs before a technical retracement aided by profit-taking pared gains.

COFFEE	Yest'day's Close	+ or —	Business Done
Sept	1465-76	+11.0	1425-50
Nov	1331-32	+5.0	1354-20
January	1210-12	+0.5	1232-00
March	1152-54	+12.0	1172-44
May	1095-00	+9.6	1117-88
July	1055-70	+24.5	1067-45
Sept	1020-27	+18.5	1021-10

Sales: 7,094 (4,830) lots of 5 tonnes.

ICO Indicator prices for Sept 14: (U.S. cents per pound). Comp. daily 1978 122.02 (121.42); 15-day average 119.72 (118.58).

GRAINS

Mnth	WHEAT Yesterd'ys close	+ or —	BARLEY Yest'rd'ys close	+ or —
Sept	110.00	+0.15	105.50	-0.38
Nov	112.35	-0.15	108.05	-0.10
Jan	116.00	-0.20	111.65	—
Mar	119.15	-0.20	114.65	+0.05
May	122.20	-0.20	117.60	+0.05
July	125.25	-0.20	—	—

Business done—Wheat: Sept 110.10-110.00, Nov 112.70-112.35, Jan 116.40-116.10, Mar 119.60-119.15, May 122.60-122.20, July 125.50-125.25. Sales: 179 lots of 100 tonnes. Barley: Sept 105.50 only, Nov 108.20-108.10, Jan 111.75-111.60, Mar 114.80-114.65, May 117.60 only. Sales: 80 lots of 100 tonnes.

HGCA—Locational ex-farm spot prices. Other milling wheat: Scotland 108.00. Feed barley: Eastern 101.20, E. Midlands 101.10, N. East 100.40, Scotland 100.40. The UK Monetary Coefficient for the week beginning Monday September 20 is expected to change to 0.893.

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No. 1, 14 per cent: Oct 113.25, Nov 116.10, Dec 110.30 transhipment East Coast sellers. English Feed, fob: Spot 11.75 traded Poole. Sept 112 paid Boston and Gunness, Oct 114.50 sellers East Coast. Maize: South African White/Yellow: Sept/Oct 85.00 seller. Barley: English Feed, fob: Sept/Oct 110 East Coast sellers. Rest unquoted.

RUBBER

The London physical market opened unchanged, attracted little interest throughout the day and closed quiet. Lewis and Peat recorded an October fob price for No. 1 RSS in Kuala Lumpur of 202.0 (same) cents a kg and SMR 20 171.5 (171.0).

No. 1 R.S.S.	Yesterday's close	Previous close	Business Done
Oct	49.70-50.20	48.70-49.80	49.80
Nov	50.40-50.80	50.50-50.80	—
Oct-Dec	50.50-50.80	50.80-50.70	50.80-50.40
Jan-Mar	53.20-53.50	53.40-53.50	53.60-53.20
Apl-Jne	55.90-56.00	56.10-56.20	56.20-55.80
Jly-Sept	58.20-58.80	58.80-58.80	58.70
Oct-Dec	61.20-61.30	61.30-61.40	61.50
Jan-Mch	63.60-63.70	63.80-63.90	63.70
Apl-Jne	66.20-66.50	66.00-66.50	66.50

Sales: 270 (310) lots of 15 tonnes: 2 (3) lots of 5 tonnes.

Physical closing prices (buyers) were Spot 49.25p (same); Oct 51.75p (51.50p); Nov 52.00p (51.75p).

SOYABEAN MEAL

The market opened slightly easier in thin conditions, reports T. G. Roddick. Prices steadied on mixed buying.

	Yesterdys Close	+ or —	Business Done
	£ per tonne		
October	120.20-20.4	+0.20	120.50-19.50
Dec	121.60-21.9	-0.65	122.00-21.80
Feb	124.50-25.1	-0.10	125.10
April	125.50-26.5	-0.15	126.40
June	126.50-27.5	-0.50	—
August	127.50-29.0	-0.50	—
October	128.50-32.0	-0.25	—

Sales: 154 (91) lots of 100 tonnes.

SOYABEAN OIL—The market opened lower in light trade. Weaker cash markets and a lack of fresh news kept prices on the defensive. Closing prices (U.S.$ per tonne): Oct 425.00, 426.00, 425.00; Dec 433.00, 437.00, 437.00; Feb 444.50, 446.00, 445.00-444.00; April 452.50, 454.00, 453.00; June 455.00, 455.00, 470.00, untraded; Aug 460.00, 475.00, untraded; Oct 465.00, 480.00, untraded. Sales: 40 (25) lots of 25 tonnes.

SUGAR

LONDON DAILY PRICE—Raw sugar £82.00 (£83.00) a tonne cif Sept-Oct shipment. White sugar daily price £108.00 (£107.00).

The market initially eased and then attempted to consolidate. However after the EEC granted restitutions for 83,500 tonnes prices again gave way and closing levels were around the lows, reports C. Czarnikow.

No. 4 Contract	Yesterday close	Previous close	Business done
	£ per tonne		
Oct	83.60-83.75	85.50-85.60	85.50-83.50
Jan	94.00-95.75	98.00-102.00	—
March	106.50-06.5	108.40-08.50	109.50-06.40
May	109.30-10.00	111.80-11.10	111.25-09.75
Aug	114.00-14.75	117.00-17.25	116.85-14.00
Oct	118.85-19.00	122.10-22.50	121.50-18.50
Jan	122.80-23.00	125.50-26.00	—

Sales: 4,357 (3,051) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis white sugar was £405.90 (same) a tonne for home trade and £186.50 (£186.50) for export.

International Sugar Agreement (U.S. cents per tonne) fob and stowed Caribbean ports. Prices for Sept 14: Daily price 5.55 (5.62); 15-day average 6.04 (6.12).

COTTON

LIVERPOOL — Spot and shipment sales amounted to 164 tonnes. A somewhat brisker offtake took place, without any major developments. Limited demand came forward in North and South American styles, with modest support in African qualities.

WOOL FUTURES

LONDON NEW ZEALAND CROSSBREDS — Close (in order: buyer, seller, business). New Zealand cents per kg. Oct 356, 358, nil; Dec 370, 378, 377; Jan 381, 385, 385-384; March 389, 393, 394-393; May 403, 405, 405-404; Aug 414, 418, 416-413; Oct 419, 422, 421-420; Dec 423, 424, 424-423; Jan 424, 430, 425-424; March 427, 432, 430-429. Sales: 55.

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kg. Oct 527.5, 528.0, 528.4-527.0; Dec 533.5, 534.0, 534.4-532.0; March 543.0, 543.5, 543.5-540.0; May 548.0, 549.0, 548.0-542.0; July 555.0, 556.0, 555.0-550.0; Oct 543.0, 545.0, 542.5; Dec 548.0, 549.5, 548.0; March 548.0, 555.0, untraded. Sales: 148.

PRICE CHANGES

In tonnes unless otherwise stated.

	Sept. 10 1982	+ or —	Month ago
Metals			
Aluminium	£810/815	......	£810/815
Free Mkt	$860/880	+5	$865/895
Copper			
Cash h grade	£839	-9.5	£856
3 mths	£855.5	-8.25	£863.75
Cash Cathode	£811.0	-5.5	£820.25
3 mths	£833.5	-0	£841
Gold troy oz	$443.5	-10	$357.5
Lead Cash	£297.5	-4.5	£308.70
3 mths	£309.75	+4.5	£318.78
Nickel	£4021.5	......	£4085
Free mkt	190/220c	-8	227/257c
Platin'm tr'y oz	£260	......	£260
Freemkt	£197.90	-10.8	£159.65
Quicksilver	$355/375	......	$360/378
Silver troy oz	517.50p	-8.20	401.80p
3 mths	529.50p	-8.95	411.90p
Tin Cash	£7252.5	-197.5	£6970
3 mths	£7202.5	-198	£5920
Tungsten	$111.43	......	$111.43
Wolfrm 22.04 lb	$101/105	......	$101/105
Zinc Cash	£449	-9.75	£485.5
3 mths	£448.75	-2.5	£439.70
Producers	$800/850	......	$800
Oils			
Coconut (Phil)	$425u	+5	$410
Groundnut	$540u	-10	$560
Linseed Crude	£380		‡
Palm Malayan	$390t	-5	$392.5
Seeds			
Copra Philip	$280	-5	$275
Soyabean (U.S.)	$254	-0.5	$250.0
Grains			
Barley Fut. Nov	£108.05	-0.10	£108.70
Maize	‡		£130.00
Wheat Fut. Nov	£112.35	-0.15	£114.00
No.2 HardWint	‡		‡
Other commodities			
Cocoa ship't*	£1037	+10	£973
Future Dec	£1026.5	+10	£931.0
Coffee Ft' Nov	£1331.5	+0	£1,177.0
Cotton A.Index	73.40c	-0.05	75.65c
Gas Oil Oct	$309.25	+1.75	$283.25
Rubber (kilo)	49.25p	......	49.5p
Sugar (Raw)	£82u	-1	£100
Woolt'ps 64s kl.	378p kilo	......	389pkilo

‡ Unquoted. u Sept-Oct. t Oct. † Per 16-lb flask. * Ghana cocoa. n Nominal.

INDICES

FINANCIAL TIMES

Sept. 14	Sept. 13	M'th ago	Y'ar ago
231.08	930.59	225.76	961.07

(Base: July 1 1952 = 100)

REUTERS

Sept. 15	Sept. 14	M'th ago	Y'ar ago
1525.3	1527.1	1534.8	1671.6

(Base: September 18 1931 = 100)

MOODY'S

Sept. 14	Sept. 13	M'th ago	Y'ar ago
1009.1	1011.1	985.7	1038.0

(December 31 1931 = 100)

DOW JONES

Dow Jones	Sept. 14	Sept. 13	Month ago	Year ago
Spot	128.85	128.80	120.35	—
Futr's	131.31	133.67	123.00	—

(Base: December 31 1974 = 100)

POTATOES

LONDON POTATO FUTURES—Improved Dutch crop prospects and an easier home physical market turned prices lower, reports Coley and Harper. Closing prices: Nov 56.00, -0.10 (high 56.20, low 55.80); Feb 64.00, -0.20 (high 64.00, low 63.70); April 73.80, -0.50 (high 74.80, low 73.70); May 83.80, -0.60 (high 84.20, low 83.50); Nov 66.80, unchanged (66.50 only). Turnover: 331 (231) lots of 40 tonnes.

MEAT/FISH

SMITHFIELD—Pence per pound. Beef: Scotch killed sides 80.7 to 85.0; Ulster hindquarters 98.5 to 101.0; forequarters 57.5 to 59.5. Veal: Dutch hinds and ends 135.5 to 137.0. Lamb: English small 83.0 to 84.0, medium 56.0 to 60.0, heavy 52.0 to 55.0; Scotch medium 55.0 to 59.0, heavy 53.0 to 55.0. Imported: New Zealand PL 58.0 to 59.0, PM 58.5 to 59.0, PX 55.0 to 55.7, YL 56.5 to 57.0, YM 57.0 to 57.0. Pork: English, under 100 lb 34.0 to 53.0, 100-120 lb 43.0 to 51.0, 120-160 lb 41.7-48.5.

GRIMSBY FISH — Supply good, demand good. Prices at ship's side (unprocessed) per stone: shell cod £5.50-£6.50, codlings £3.00-£4.50; large haddock £4.00-£4.60, medium £2.40, small £1.40-£1.80; large plaice £4.80-£6.00, medium £4.00-£6.00, best small £3.40-£5.00; skinned dogfish (large) £5.00-£7.00, medium £3.00-£4.50; lemon soles (large) £10.00, medium £8.50; rockfish £2.00-£2.30; saithe £1.00-£2.40.

MEAT COMMISSION—Average Fatstock prices at representative markets GB—Cattle 96.93p per kg lw (-0.79). GB—Sheep 122.32p per kg est dcw (-2.78). GB—Pigs 70.49p per kg lw (-1.37).

COVENT GARDEN—Prices for the bulk of produce, in sterling per package except where otherwise stated. Imported Produce: Oranges—Outspan: Navels/Lates 40 5.20, 48 5.70, 56 6.00, 72 6.20, 88 5.60, 112 5.40, 138 5.90, 150 5.35; Brazilian: 5.00-5.50. Mandarines—Brazilian: 4.50. Minneolas—Outspan: 42/89 4.25-5.00. Tamboras—Outspan: 42/89 4.25-5.00. Lemons—Spanish: Tray 5 kg 25/50 1.60-2.00; Outspan: 15½ kg 80/195 2.50-4.00. Grapefruit—Outspan: 27 4.80, 32 5.05, 36 5.20, 40 5.10, 48 5.80, 56 5.60, 64 5.16, 72 4.35—Ruby same as white; Cuban: White 5.00, Ruby 5.00; Honduras: White 5.50-6.00. Apples—U.S.: 19 kg Red Delicious 10.00-13.00; French: Golden Delicious 18 kg 4.00, 9 kg 1.90-2.00, Granny Smith 18 kg 5.00-5.40, 9 kg 3.20-3.30. Pears—French: 28 lb loose Williams 3.00-3.20; Spanish: per lb 0.13-0.16; Italian: Per lb tray pack Williams 0.13-0.18. Peaches—Italian: Large trays Halos 1.20-2.60, others 1.80-2.40; French: 1.80-2.20. Plums—Italian: Stanley 20 lb 2.60-3.80; French: President 20 lb 3.20-3.50; Hungarian: Switchens 6 kg 1.80-2.00. Gages—French: 20 lb 2.20-2.40. Spanish: 11 lb 2.50-2.80. Grapes—Italian: 5 kg Regina 1.60-1.80, Alphonse 7 kg 4.00, Italia 9 kg 3.00-4.00; Spanish: Almeria 2.80, Napoleon 3.20; French: Alphonse 5 kg 2.80-3.00. Nectarines—Italian: 3.50-5.00. Melons—Spanish: Yellow 10 kg 2.40-3.20; French: Charentais 10/15 6.00-8.00; Dutch: Ogens 5.50-9.00. Water-Melons—Italian: 3.50-4.00; Spanish: 3.00-3.50. Pineapples—Ivory Coast: 20s 0.45, each 12C 0.65, 12B 0.30, A 1.20; Kenyan: 1.50-1.80. Ghana: Each 1.00-1.40. Bananas—Colombian: 40 lb boxes 8.00-8.50. Avocados—S African: 5.00-8.00; U.S.: 6.50-6.60. Mangoes—Israeli: 5.60-6.20. Paw Paws—Brazilian: 6.00-7.00. Artichokes—Brittany: 24s 6.20. Onions—Spanish: Grano 3.60-3.80. Capsicums—Dutch: 5 kg Green 4.00, Red 3.40, Yellow 5.60, White 5.00, Blue 10.00. Cabbages—Dutch: Red 3.60, White 3.00. Aubergines—Dutch: 5 kg 4.80-5.00. Fennel—Dutch: 5 kg 3.80. Tomatoes—Dutch: 6 kg 1.80; Jersey: 1.00-1.40; Guernsey: 1.60-1.80. Sugar Peas—Jersey: 7 lb 9.00.

English Produce: Potatoes—Per lb 0.03-0.04½. Mushrooms—Per lb open 0.40-0.50, closed 0.60-0.80. Lettuce—Per 12, round 0.80-1.40, Webb's 1.60-2.40, Cos 1.40-2.20. Spring Onions—Per bunch 0.05-0.06. Pickling Onions—Per 55 lb 2.50. Leeks—Per 11 lb 1.80-2.00. Prime Cabbage—Per 25 lb 1.20-1.60. Cabbages—Per 28-30 lg White/Red 2.00.

AMERICAN MARKETS

NEW YORK, September 15.

Heating oil was sharply higher on the Iraqi conflict uncertainties and on Saudi indications they would not lower their crude prices. Sugar was fractionally lower to unchanged as reports from Eastern Europe suggest lower yields than expected earlier. Cotton was mixed with nearby months strong on concern about quality of the early harvested crop. Cocoa rallied on concern about the West African crops and lower prospective yields for the new harvest, reported Heinold.

Copper—Sept 61.90 (62.75), Oct 62.25 (63.15), Nov 62.95, Dec 63.50-63.80, Jan 64.20, March 65.25-65.60, May 66.45-66.60, July 67.60, Sept 69.50, Dec 70.70, Jan 71.30, March 72.50, May 73.65, July 74.85.

Potatoes (round whites)—Nov 63.5 (63.0), Feb 63.8 (63.3), March 73.0, April 84.1-84.5. Sales: 103.

¶Silver—Sept 903.0 (875.0), Oct 908.5 (880.0), Nov 915.0, Dec 917.0-928.0, Jan 935.0, March 948.0-955.0, May 967.0, July 977.0, Sept 990.0, Dec 103.00, Jan 103.90, March 105.70, May 107.50, July 109.30. Handy and Harman bullion spot: 892.00 (919.00).

Sugar—No. 11: Oct 5.96-6.00 (6.021), Jan 8.60-8.70 (5.78), March 7.2-7.23, May 7.55-7.57, July 7.84-7.85, Sept 8.18-8.20, Oct 8.31. Sales: 7,807.

Tin—570.00-573.00 (585.00-586.00).

CHICAGO, September 15.

Lard—Chicago loose 21.25 (same).

Live Cattle—Oct 60.25-60.10 (58.60), Dec 60.30-60.20 (59.32), Feb 58.55-58.65, April 58.70, June 58.55-58.60, Aug 56.50.

Live Hogs—Oct 60.30-60.50 (59.60), Dec 58.65-58.90 (57.90), Feb 58.15-56.20, April 52.50-52.40, June 52.65-52.60, July 51.50, Aug 48.30.

‡‡Maize—Sept 225-224½ (222¾), Dec 225¾-226 (226½), March 241¾-242, May 251¾-252, July 258-258½, Sept 262¾.

Pork Bellies—Feb 84.70-84.90 (84.00), March 82.20-82.40 (81.401), May 79.55, July 75.80-75.80, Aug 73.25.

†Soyabeans—Sept 549½-550½ (544), Nov 556-557 (552), Jan 570½-571, March 586½-586¾, May 595½-598½, July 609, Aug 610, Sept 610, Nov 616.

‖Soyabean Meal—Sept 158.3 (156.8), Oct 159.0-158.7 (158.2), Dec 163.2-163.0, Jan 166.1-165.6, March 169.5-169.0, May 172.5, July 175.5-176.0, Aug 179.0-176.5, Sept 176.0-176.5.

Soyabean Oil—Sept 17.55 (17.18), Oct 17.54-17.60 (17.23), Dec 18.04-18.11, Jan 18.40-18.45, March 18.75-18.80, May 19.00, July 19.50-19.60, Aug 19.60-19.70, Sept 19.65-19.95.

†Wheat—Sept 325½ (325), Dec 345¼-345½ (349¾), March 365¼-365¾, May 374, July 382, Sept 397.

WINNIPEG, September 15.

§Barley—Oct 92.7 (92.2), Dec 98.2 (95.5), March 101.7, May 104.0, July 106.0.

*Platinum—Oct 333.0-336.0 (330.3), Jan 337.0-339.0 (335.5), April 345.0, July 350.7, Oct 358.7.

§Wheat—SCWRS 13.5 per cent protein content cif St. Lawrence 222.05 (222.48).

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. ‖ $ per short ton (2,000 lb). § $Can. per metric ton. §§ $ per 1,000 sq ft. ‡ Cents per dozen. †† $ per metric ton.

Monday's closing prices

NEW YORK, September 14.

††Cocoa—Sept 1502 (1405), Dec 1597 (1583), March 1643, May 1684, July 1719, Sept 1764.

Coffee—"C" Contract: Sept 141.50 (139.971), Dec 132.98-133.00 (132.05), March 125.30-125.50, May 122.53-120.70, July 117.20, Sept 112.75-113.50, Dec 110.00-110.60. Sales: 2,130.

Cotton—No. 2: Oct 63.12-63.15 (64.101), Dec 65.20 (65.211), March 67.40-67.45, May 69.10, July 70.20, Oct 71.75, Dec 72.50-72.60.

Heating Oil—(cents per U.S. gallon): Oct 95.75 (95.35), Nov 96.60 (95.20), Dec 97.50-97.65, Jan 97.90, Feb 97.00, 98.20, March 95.50, April 95.00, May 92.50.

Orange Juice—Sept 127.25-127.40 (128.10), Nov 127.50-129.00, Jan 127.75, March 129.00, May 130.00-130.40, July 131.00-131.40, Sept 132.00-132.40, Nov 131.00-131.40, Jan 130.00-130.40.

*Platinum—Oct 329.1-333.0 (349.1), Jan 334.3-337.5 (354.41), April 341.5-345.0, July 355.0, Oct 357.5. Sales: 4,546.

CHICAGO, September 14.

Chicago Imm Gold—Sept 437.8 (446.5), Dec 446.5-449.0 (456.7), March 460.8-462.0, June 474.8, Sept 488.6, Dec 503.0.

EUROPEAN MARKETS

ROTTERDAM, September 15.

Wheat—(U.S. $ per tonne): U.S. No. 2 Red Winter: Oct 142. U.S. No. 3 Amber Durum: Sept 163, Oct 166, Nov 171, Dec 176. U.S. No. 2 Northern Spring, 14 per cent: Sept 170, Oct 178, Nov 176, Dec 181. Canadian Western Red Spring: Oct/Nov 194.50.

Maize—(U.S. $ per tonne): U.S. No. 3, Yellow: Afloat 113.50, Sept 112, Oct 107.50, Nov 107, Dec 108, Oct/Dec 107, Jan/March 115, April/June 118 sellers.

SUGAR—(FFr. per tonne): Oct 1231/1233, Nov 1300/1310, Dec 1296/1300, March 1405/1409, May 1450/1470, July 1490/1500, Aug 1515/1520, Oct 1585/1595. Sales at call: 35.

PARIS, Sept 15

Cocoa—(FFr per 100 kilos): Sept 1156/1210, Dec 1243/1245, March 1257/1302, May 1325/1340, July 1350/1375, Sept 1400/1410, Dec 1425/1435. Sales at call: 4.

WORLD STOCK MARKETS

NEW YORK

Wall St down 2.5 at midday

PRICES continued mixed at mid-session but were moving lower as profit-taking spread from Blue Chip issues into secondary stocks.

The Dow Jones Industrial Average showed only fractional declines throughout the morning but was off about 2½ points at midday. Advances led declines by a slim margin and volume totalled a modest 33m shares.

Analysts said investors may be concerned by an unexpected move by the federal reserve to drain reserves from the banking system.

Analysts said the Fed's move could be a signal that it was tightening credit.

The Fed's action, coupled with projections of a large increase in the money supply to be reported on Friday, raised concerns on Wall Street that interest rates could start rising again.

Some of the declines were those stocks with large price run-ups in recent days. Stop and Shop shed 1¾ to $45¾ after rising 3½ on Tuesday, and CBS lost 1⅝ to $47⅝ after a 2⅝ gain on Tuesday. CBS's write-off from the shutdown of its cable network could be as high as $10m to $12m.

Rail stocks were very weak, with Burlington Northern off 1⅞ to $44⅞, Kansas City Southern 1¾ to $35, Union Pacific 1⅝ to $41⅝ and Missouri Pacific $3 to $65½.

On Monday the Interstate Commerce Commission approved the merger of Union Pacific and Missouri Pacific.

ATT was off ⅜ to $55⅝ in heavy trading. The company reported a slight rise in earnings in the three months ended August 31.

THE AMERICAN SE Market Value Index dropped 1.35 to 286.17 on turnover of 2.8m shares.

Canada

Markets were up slightly at mid-session in slow trading.

The Toronto Composite Index was up 3.6 points at 1,618.6 on turnover of 2,648,296 shares. Advances led declines 157 to 148. Six of the 14 indices were higher.

Shell Canada, which announced on Tuesday it would close its Oakville, Ontario, refinery next spring, rose ⅛ to C$23 in active trading.

On the active list, Dome Petroleum rose 10 to C$4.65, Canadian Imperial Bank of Commerce gained ⅛ to C$22 and Bank of Nova Scotia added ⅛ to C$26⅛.

Among the bigger changes, Inland Natural Gas gained 1¼ to C$14, Norcen increased one to C$32 and Pancanadian Petroleum rose one to C$86.

The Canadian Foreign Investment Review Agency outlined on Tuesday the terms in which Getty Oil may keep its ownership in Canadian Reserve Oil and Gas. Canadian Reserve was off one at C$16⅞.

The Montreal Composite Index gained 0.75 point to 278.67 on volume of 316,613 shares.

Among the indices, Utilities rose 0.16 to 208.16, Banks gained 2.22 to 303.30, and Industrials improved 0.72 to 295.72.

The Vancouver Exchange Index was up 2.54 at 887.77 on volume of 3,653,558 shares.

Closing prices for North America were not available for this edition.

Hong Kong

Prices closed unchanged to slightly lower on late liquidations after narrow and quiet trading in the half-day session, brokers said.

Prices opened steady following gains in Wall Street and London, although investors here were generally adopting a wait-and-see attitude ahead of British Prime Minister Margaret Thatcher's visit to China next week.

The Hang Seng Index closed 2.43 points lower at 1,090.26 after a gain of 3.99 at 11 am.

Markets in Japan were closed yesterday for the annual Respect for the Elderly Day.

Singapore

The market closed higher on continued buying support in selective moderate trading.

Cold Storage rose 10 cents to S$3.28, Pan Electric 8 cents to S$4.08, Hong Leong Finance 20 cents to S$6.10 and Oversea Chinese Bank 10 cents to S$7.55. Elsewhere, Fraser and Neave, Pan Malayan Cement, Sime Darby, Straits Trading, Tan Chong, Development Bank and United Overseas Bank rose between 2 and 5 cents.

The Straits Times Index rose 4.01 points at 637.41.

Hotels, Properties, Commodities and the second trading section were also higher where traded in line with the general trend.

Germany

Stocks ended higher in busy trading on market expectations that a change of government in West Germany is imminent.

Wall Street's firmer close overnight also sparked fresh buying interest, mainly by institutions, dealers said.

The decision of AEG-Telefunken's banks to grant further loans added to confidence, and AEG finished DM 0.90 higher at DM 32.40.

The Commerzbank Index jumped 7.80 points to 688. Dresdner Bank, AEG's consortium leader, added 4.80 to DM 123.20, Commerzbank 4.40 to DM 119.80 and Deutsche Bank four to DM 252.80.

Madrid

Shares eased in most sectors and the Bourse Index closed 0.60 points down at a 1982 low of 81.93.

The likelihood of a socialist win in the October 28 general election and the killings by Basque guerrillas on Tuesday continued to depress the market, dealers said.

Banks lost 0.88 points, with Banesto, Bilbao and Vizcaya down 6 percentage points.

Stocks traded fell to 126 from 137 on Tuesday with nine rises, 36 falls and 81 unchanged.

Stockholm

Prices closed sharply higher on large turnover. Dealers said the market was buoyed by an opinion poll that the gap was narrowing between opposition Social Democrats, forecast to win next Sunday's national elections, and the non-socialist parties.

Paris

Prices closed higher in active trading as the market responded to the Government's decision to secure a $4bn loan to defend the franc.

Analysts noted that news of the Government's decision to seek the syndicated loan to bolster currency reserves was greeted favourably on foreign exchange markets, where the franc firmed slightly against most currencies.

Switzerland

Shares closed broadly firmer in a market sparked by a number of large orders made by Geneva banks.

Dealers said the fundamentals of the market had not changed particularly but that the Geneva orders had strengthened the market

Johannesburg

Gold shares closed very firm in improved demand, aided by a cheaper financial rand at around 74.25/75 U.S. cents and as the bullion price held steady a around the day's highs, dealers said.

Heavyweight gains ranged to 350 cents, as in Randfontein at 9350 cents, but lightweights generally showed better percentage gains with Bracken 20 cents up a 385. Other Minings and Financials mirrored Golds, Anglos rising 45 at 1625, Diamond shares De Beers 37 at 685 and Impala Platinum 20 at 690.

Amsterdam

Stocks were quietly mixed despite a higher overnight close on Wall Street, dealers said.

Internationals were mostly lower, with KLM down 2 at Fl 89.50 and Royal Dutch fell 1.70 to Fl 88.50. However, AKZO showed a rise of 0.40 to Fl 25.30.

CANADA

DENMARK

HOLLAND (continued)

AUSTRALIA

JAPAN (Continued)

Indices

NEW YORK —DOW JONES

STANDARD AND POORS

NY. S.E. ALL COMMON

MONTREAL

NEW YORK ACTIVE STOCKS

FRANCE

ITALY

NORWAY

SPAIN

GERMANY

HONG KONG

SINGAPORE

SWEDEN

AUSTRIA

SOUTH AFRICA

JAPAN

BELGIUM/LUXEMBOURG

SWITZERLAND

BRAZIL

HOLLAND

Nervous equity market again changes direction and index falls over 9 points—Gilt-edged more stable

Account Dealing Dates

Option

*First Dealings	Declara-tions	Last Dealings	Account Day
Sept 6	Sept 16	Sept 17	Sept 27
Sept 20	Sept 30	Oct 1	Oct 11
Oct 4	Oct 14	Oct 15	Oct 25

* "New-time" dealings may take place from 9.30 am two business days earlier.

The London equity market's current vulnerability to violent change of direction was illustrated again yesterday. Tuesday's euphoria vanished more quickly than it had developed, despite supporting overnight Wall Street influences, and it soon became apparent after the 9.30 am opening that equity values would move slightly lower. A sobering factor was closer examination of the latest UK industrial production figures, which contained no hint of the hoped-for economic recovery.

By mid-morning, the downdrift in leading shares had become a slide with market sentiment also affected by revived rumours of a major British industrial group experiencing financial difficulties and renewed speculation about a possible German banking failure. A disappointing batch of company statements from top-name concerns, which included *Bowater's bearish view of its North American operations*, set the seal on a depressed market scene.

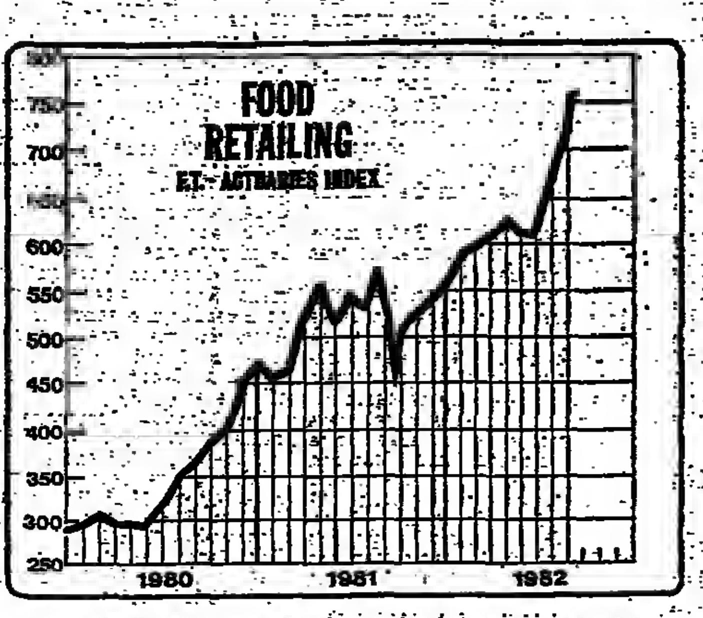
A forecast of substantially lower crude prices unsettled the Oil sector, but losses here were no larger than those of popular Electricals and many other leaders. Burmah were a notable exception, weakening sharply on first-half profits well below market estimates. Early indecision on Wall Street yesterday militated against a London recovery and the FT Industrial Ordinary share index fell 9.5 to 576.2; down only 1.8 at 10 am, this measure was over 10 points off a couple of hours later and was at its lowest of the day at 2 pm with a loss of 10.9.

The Gilt-edged market was unaffected by the nervousness in equities. Its more stable undertone was demonstrated by marginal improvements throughout a generally quiet session. The closing tone was sound at late sentiment benefited from an initial sharp rise in U.S. bonds yesterday and longer-dated Gilts finally showed gains extending to ½. Tighter credit conditions in UK money markets inhibited business at the shorter end of the market.

Eagle Star results

Eagle Star's 38 per cent fall in half-year profits was in line with market estimates, but disappointment with the unchanged dividend left the shares 6 down at 334p. Legal and General's interim profits were deemed to be satisfactory, but, as with Eagle Star, dividend disappointment left the close 10 down at 298p. Among Lloyds brokers, Sedgwick softened 3 to 165p awaiting today's half-timer.

The major clearing banks, a shade firmer at first on the Anglo-Argentine agreement to lift financial sanctions, drifted back in the absence of support to close with small losses. After Tuesday's drop of 21 on the poor interim results, Standard and Chartered rallied 3 to 360p.



Leading Buildings held relatively steady, although Blue Circle drifted off to close 5 cheaper at 425p and BPB finished 3 off at 405p. Elsewhere, Barratt Developments edged up a penny to 310p; the interim results are due next Tuesday. Small buying in a thin market lifted Aberthaw Cement 5 to 330p, but UBM lost the turn to a 1982 low of 44p. Steel stockholders Helical Bar attracted renewed support and put on 2 to a high for the year of 22p, while occasional interest left Fairclough Construction a few pence dearer at 197p.

Recently firm ICI reacted to 300p before edging off the bottom to close 4 down at 304p. Arthur Holden rose 3 to 178p following the Monopolies Commission's go-ahead for ICI's 180p per share bid for the company, but International Paint, which paid 150p per share for a 12 per cent stake in Holden last February lost 2 to 212p.

Stores retreat

Marked a shade firmer at the outset, Store leaders soon retreated to lower levels reflecting the absence of follow-through support. Selected issues attracted scattered demand during the afternoon, but most ended with small falls. Boots closed 6 off at 261p, while UDS, interim results due today, dipped a couple of pence to 63p. In contrast, W. H. Smith continued firm by rising 2 more to 238p, while similar gains were noted for House of Fraser, 170p, and Woolworth, 51½p, the last-mentioned following further option activity. Elsewhere, Home Charm continued to draw strength from the interim results and accompanying statement and touched 234p before settling a net 4 up at 232p. MFI rose 3 to 108p. Renewed profit-taking clipped 5 from Polly Peck, 385p, but Courts A remained in demand and closed 4 to the good at 103p.

Shoes, relatively neglected recently, also attracted selective support. Ward White rose a couple of pence to 70p, while speculative attention was directed towards Stylo, 8 better at 109p.

Racal recovered to close unaltered on the day at 580p after having touched 572p at one stage, but other leading Electricals ended a few pence above the worst. Plessey settled with a fall of 10 at 555p, after 550p, while Thorn EMI finished similarly cheaper at 390p, after 385p. GEC ended ¼ easier at £11¼. George H. Scholes provided one of the few firm spots in secondary issues, advancing 20 to 420p on the increased dividend and profits and proposed one-for-two scrip issue. Automated Security were also noteworthy for a gain of 9, to 287p, but Louis Newmark fell 8 to 175p in a limited market, while ORE recorded a fall of 10 to 240p.

GKN, reflecting nervous offerings in front of today's interim figures, eased to 134p before settling 5 down on balance at 135p. Talk of a large industrial company in financial difficulties was also an unsettling factor in the Engineering leaders. Hawker reacted 10 to 356p, Vickers 4 to 137p and TI 2 to 98p. News of the redundancies at Normalair Garratt due to a fall-off in orders prompted selling of Westland which fell steadily to close 14 lower at 121p, while Jones and Shipman fell 4 to 28p on the half-year loss. Expamet, in contrast, rose 4 to 59p on the increased half-year profits.

Tate and Lyle moved against the quietly dull trend in Foods, rising 4 to 184p on rumours of a broker's bullish circular. Danish Bacon A provided a dull feature in secondary issues, dropping 9 to 63p on lower half-year profits and the passing of the interim dividend.

Favourable Press comment stimulated interest in Trusthouse Forte, which added a couple of pence to 143p. Among other Hotels and Caterers, Ladbroke came on offer and shed 6 to 143p, after 142p, while the chairman's cautious statement at the annual meeting left Wheeler's Restaurants 5 down at a 1982 low of 300p.

Bowater above worst

Disappointing interim results prompted initial weakness in Bowater which fell to 192p before closing 4 cheaper on the day at 197p. Most of the other miscellaneous industrial leaders also closed above the worst. BTR ended 10 cheaper at 336p, after 332p, and Glaxo 5 lower at 780p, after 775p. Elsewhere, Thomas Tilling fell sharply to 114p following interim figures well below market expectations before picking up a little to close 10 down on balance at 118p. Revived offerings left Ropner 7 lower at 110p, with the A shares easing 4 to 108p. Sellers were also evident in Hanson Trust, which closed 6 off at 165p, while falls of around 5 were marked against Smiths Industries, 335p, Foseco Minsep, 172p, and British Vita, 125p.

Motor Components turned dull; Lucas gave up 7 to 135p, while Dowty closed 6 off at 160p and Dunlop eased a couple of pence to 59p.

Publishers took a turn for the better and Associated Newspapers, dull of late, rallied 3 to 183p, while United, interim results expected shortly, closed 5 higher at 185p. Saatchi and Saatchi held the previous day's rise of 12 to a peak 485p; reference here yesterday to the group having to share the British Airways advertising account with Dorlands was in error, Saatchi having taken over the Dorlands agency last year.

Down 5 on Tuesday following the proposed £30m Debenture issue, MEPC shed a penny more to 175p. Elsewhere in Properties, Slough Estates lost 2 to 97p and Stock Conversion 5 to 288p on lack of interest, while occasional selling clipped 4 from Greycoat City Offices, to 124p, and 3 from Fairview Estates, to 99p. Raglan Property shed 1½ to 9½p on the proposed £1.18m property acquisition to be satisfied by the issue of shares, while United Real softened 3 to 372p following the preliminary results.

Burmah fall sharply

Burmah weakened sharply on marked disappointment with the half-year results, falling to 132p before *finishing 17 down on* balance at 135p. Elsewhere, the sector trend was to lower levels, although quotations usually finished above the worst. BP ended 6 lower at 292p and Shell closed a similar amount down at 420p. Among the exploration issues, Candecca dipped 11 to 168p on talk of a rights issue. Vague bid speculation left Claremont 4 to the good at 44p, after 45p. Charterhouse Petroleum closed 3 lower at 77p following news that Charterhouse Group had sold 23.1m shares in CP on Wednesday.

Money brokers finished with small falls, R. P. Martin giving up 5 to 330p and Exco a few pence to 218p. Elsewhere in Financials, London Merchant Securities rose 3 more to 54p on further consideration of the annual results.

RTZ/Gold Fields weak

The poor performance of UK equities, lower precious and base metal prices and another set of lower profits—this time from RTZ—resulted in further downward pressure on London Financials.

RTZ dipped to 423p ahead of the interim statement, rallied to 427p immediately following the figures but fell back sharply on renewed selling to close 15 down at 418p.

A heavy turnover was reported in Gold Fields which relinquished 23 to 450p on further consideration of the reduced full-year profits. Charter fell 5 to 185p in sympathy.

South African Golds were quietly mixed. Initially easier following the overnight decline in bullion in the U.S. and the downturn in the metal price in London, share prices picked up modestly in the afternoon as bullion rallied to close a net $10 easier at $443.50 an ounce.

However, the overall picture at the close showed the majority of the heavyweights with minor losses and the Gold Mines index recorded a decline of 2.3 to 364.0.

Prominent among the heavyweights were Southvaal, ½ lower at £20½, St Helena, ½ off at £18¾, and Vaal Reefs, ½ easier at £40½.

Australians lost ground at the outset but improved in the after-hours' trade reflecting the modest rally in the bullion price. Gold Mines of Kalgoorlie closed 5 up on balance at 390p after having touched 395p, while Poseidon rose 4 to 196p.

Peko-Wallsend put on 4 more to 288p on news that Standard Oil of California has agreed to take a 39 per cent interest in the former's big copper/gold deposit at Parkes in New South Wales.

Renewed weakness in London equity markets prompted a useful business in Traded Option puts where 688 contracts were struck, 299 of which were done in British Petroleum with the October 300's, 3 up at 17p, accounting for 133. Following a further reaction in the underlying share price in the wake of the disappointing preliminary results, Consolidated Gold Fields October 460 puts advanced 10 to 30p, while the October 500's added 20 to 72p. RTZ, which announced interim results yesterday, also displayed useful movements with the November 420 puts gaining 9 to 28p.

OPTIONS

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Sept 13	Sept 24	Dec 9	Dec 20
Sept 27	Oct 8	Dec 23	Jan 10
Oct 11	Oct 22	Jan 13	Jan 24

For rate indications see end of Share Information Service

Money was given for the call in Westland, Trident TV A, Turner and Newall, UDS, Nimslo, J. Hepworth, F. W. Woolworth, Consolidated Gold Fields and Bernard Matthews. A put was done in Glaxo, while doubles were taken out in KCA International and F. W. Woolworth.

FINANCIAL TIMES STOCK INDICES

	Sept. 15	Sept. 14	Sept. 13	Sept. 10	Sept. 9	Sept. 8	A year ago
Government Secs.	77.86	77.75	77.43	77.86	78.65	78.65	62.67
Fixed Interest	78.73	78.64	78.56	78.79	79.05	79.11	64.71
Industrial Ord.	576.2	585.7	571.5	574.6	590.5	587.6	595.5
Gold Mines	364.0	366.3	352.9	347.7	356.2	347.0	403.9
Ord. Div. Yield	5.09	5.01	5.12	5.10	4.97	4.99	5.73
Earnings, Yld.% (full)	11.08	10.92	11.13	11.10	10.82	10.76	10.93
P/E Ratio (net) (*)	10.85	11.01	10.80	10.84	11.12	11.22	12.87
Total bargains	17,065	15,432	12,204	19,062	20,030	19,785	15,497
Equity turnover £m.	—	140.59	120.11	165.06	165.18	148.09	112.35
Equity bargains	—	12,906	12,805	14,581	14,725	15,452	10,139
Shares traded (ml)	—	99.3	73.5	105.3	109.4	100.8	79.6

10 am 583.9. 11 am 579.7. Noon 575.3. 1 pm 575.7.
2 pm 574.8. 3 pm 575.7.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

Latest Index 01-246 8026.
*Nil = 10.08.

HIGHS AND LOWS — S.E. ACTIVITY

	1982 High	1982 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	78.92 (25/8)	61.29 (5/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	79.11 (8/9)	62.79 (7/1)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	598.2 (6/9)	518.1 (5/1)	597.3 (30/4/81)	49.4 (26/6/40)
Gold Mines	372.2 (7/9)	181.2 (22/6)	558.9 (22/9/80)	43.5 (26/10/71)

	Sept. 14	Sept. 13
—Daily Gilt Edged Bargains	125.1	211.4
Equities Bargains	84.2	83.0
Value	284.2	242.8
5-day Avrge. Gilt-Edged Bargains	197.0	204.3
Equities Bargains	91.4	97.7
Value	293.9	318.2

RECENT ISSUES

EQUITIES

Issue price p	Amount paid up	Latest Renunc. date	1982 High	1982 Low	Stock	Closing price p	+ or —	Div. p. or amount	Times Covered	Gross Yield	P.E. Ratio
¶¶	F.P.	—	82½	70	Antofagasta Hldgs £1	70	......	7.0	3.6	14.3	2.1
—	F.P.	—	24	22	Beradin Holdings 5p	23	+1	0.65	1.3	4.0	24.7
‖‖	F.P.	—	8	6½	✠Berkeley H.H. Inv 10p	6½	......	—	—	—	—
33	F.P.	7/9	72	44	✠Bio-Isolates 10p	53	......	—	—	—	—
§35	F.P.	16/9	45	38	✠Coleman Milne 10p	42	......	u1.5	3.2	5.1	6.8
¶¶	F.P.	—	31	25	✠Delmar Group	28	......	u1.68	2.4	8.6	6.9
—	F.P.	29/11	106	87	✠Ecobric New Ord £1	102	+7	bd8.5	1.8	14.7	4.5
—	F.P.	—	65	55	✠ Do. Defd.	58	+2	—	—	—	—
80	F.P.	04/9	64	48	✠Hadson Pet. Int. 5p	55	—3	—	—	—	—
§116	F.P.	17/9	182	166	✠Int'europe Tech. 20p	103	+3	u4.0	1.8	3.6	22.8
§137	F.P.	30/7	225	150	✠McCarthy & Stone	220	......	b5.75	2.7	3.7	15.2
375	F.P.	29/9	420	368	Mercantile Hse. New	400	+5	14.0	2.2	5.0	10.4
¶120	F.P.	27/8	180	153	Multitone Elect.	174	......	u2.52	3.4	2.1	15.7
—	F.P.	—	25	20	RIT & Northern War'ts	23	......	—	—	—	—
—	F.P.	—	24	20	Rvr Plate & Gen. Wrrts	20	......	—	—	—	—
¶¶	F.P.	—	58⅛	30	Rowe Evans Inv. 10p.	32	......	—	—	—	◆
‖	F.P.	—	13	10½	✠Sheraton Secs 10p	10½	......	—	—	—	—

FIXED INTEREST STOCKS

Issue Price £	Amount paid up	Latest Renunc. date	1982 High	1982 Low	Stock	Closing price £	+ or —
¶¶	F.P.	—	95p	90p	Anglo Indonesian 6½% Cnv. Com. Pref.	95p	......
¶¶	F.P.	—	60p	59p	Antofagasta 5.6% Pref. (£1)	53p	—2
99.526	£20	—	30⅛	91¼	Australia 13½% Ln. 2010	29¾	......
97.504	£25	—	25¼	24	BOC 12¼% Uns. Ln. 2012-17	25	—¼
105	F.P.	—	105¾	105	Credit National 6r. 13½% 1989	105¼	—¼
97.058	£26	8/12	22	20	Electricite de France 19½% Ln. 2006	20	......
96.694	£26	—	96¼	24½	Hydro Quebec 12¾% Ln. 2015	26	......
100	F.P.	—	100⅝	99½	Nationwide Bdg. Soc. 11⅞% (15/8/83)	100⅛	......
100	F.P.	—	100⅛	99⅞	Do. Do. 11¼% (30/8/83)	100⅛	+⅛

"RIGHTS" OFFERS

Issue price p	Am'unt paid up	Latest Renunc. date ●	Latest Renunc. date ■	1982 High	1982 Low	Stock	Closing price p	+ or —
406	F.P.	13/9	8/10	516	488	Eurotherm Int. 10p.	500	—5
76	F.P.	—	—	190	170	Pactrol Electronics	187	+7
1	Nil	22/9	19/10	⅞pm	¾pm	Spong	¾pm	—⅛
170	Nil	—	—	26pm	16pm	Tricentrol	16pm	—6

Renunciation date usually last day for dealing free of stamp duty. *b* Figures based on prospectus estimate. *d* Dividend rate paid or payable on part of capital; cover based on dividend on full capital. *g* Assumed dividend and yield. *r* Indicated dividend; cover relates to previous dividend. P/E ratio based on latest annual earnings. *u* Forecast dividend; cover based on previous year's earnings. F Dividends and yield based on prospectus or other official estimates for 1983. Q Gross. T Figures assumed. ◆ Figures or report awaited. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price. *p* Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or take-over. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Dealings under special Rule. ✠ Unlisted Securities Market. ‡‡ London Listing. ‡ Effective issue price after scrip. † Formerly dealt in under Rule 163(2)(a). ‡‡ Unit comprising five ordinary and three Cap. shares. ◆ Issued free as an entitlement to ordinary holders.

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday

Stock	Closing price pence	Day's change	Stock	Closing price pence	Day's change
Bowater	197	− 4	ICI	304	− 4
Burmah Oil	135	−17	Legal and General	298	−10
Cons Gold Fields	450	−23	RTZ	418	−15
Distillers	217	− 2	Rothmans	104	− 1
Eagle Star	334	− 6	Tate and Lyle	184	+ 4
Grand Metropolitan	273	− 5	Tilling (T.)	118	−10

TUESDAY'S ACTIVE STOCKS

Based on bargains recorded in SE Official List

Stock	No. of price changes	Tuesday's closing price pence	Day's change	Stock	No. of price changes	Tuesday's closing price pence	Day's change
Cns Gold Flds	15	473	+13	De Beers Dfd	10	292	+ 3
GEC	13	£11⅞	+ ⅜	ICI	10	308	+10
Racal Elec	12	580	+17	NatWest Bk	10	416	+ 4
Standard Chart	12	357	−21	Plessey	10	565	+12
BTR	11	346	+16	RTZ	10	433	+ 5
BP	11	298	+ 2	Shell Trans	10	426	+ 4
Brit fnds	10	571	+ 9	GUS "A"	9	568	+21

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS. Figures in parentheses show number of stocks per section	Wed Sept 15 1982 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Tues Sept 14 Index No.	Mon Sept 13 Index No.	Fri Sept 10 Index No.	Thurs Sept 9 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (209)	421.53	−1.0	9.11	3.99	13.70	425.84	420.22	421.86	428.04	358.16
2	Building Materials (23)	341.09	−0.4	12.23	5.41	9.83	342.45	337.67	341.47	346.15	308.26
3	Contracting, Construction (28)	635.29	−0.2	13.81	4.91	8.64	636.52	633.24	637.94	643.72	569.02
4	Electricals (31)	1737.59	−1.0	6.22	1.87	21.05	1754.65	1729.95	1729.44	1756.59	1346.31
5	Engineering Contractors (11)	484.05	—	13.57	6.25	8.90	483.81	478.22	481.75	481.23	488.26
6	Mechanical Engineering (67)	202.60	−0.8	11.95	5.83	10.07	204.24	202.17	204.40	207.87	198.87
8	Metals and Metal Forming (11)	145.65	−2.0	12.89	8.55	9.61	148.70	145.46	146.50	149.08	164.99
9	Motors (20)	77.54	−1.9	3.17	8.99	—	79.04	78.60	79.93	81.69	102.11
10	Other Industrial Materials (18)	345.77	−2.8	10.28	6.06	12.00	355.07	349.38	347.75	351.58	371.32
21	CONSUMER GROUP (202)	351.33	−0.5	11.39	4.97	10.64	353.24	346.71	348.66	356.23	273.49
22	Brewers and Distillers (22)	304.69	−1.1	12.39	5.41	9.80	308.06	302.51	305.55	305.47	284.37
25	Food Manufacturing (22)	295.63	—	15.48	6.15	7.55	295.70	291.64	293.60	295.64	264.15
26	Food Retailing (14)	755.19	−0.4	7.93	2.97	15.73	758.14	747.48	753.76	764.38	540.76
27	Health and Household Products (9)	536.71	−0.4	6.40	3.22	18.18	539.11	531.00	533.56	545.66	331.21
29	Leisure (23)	428.35	−0.7	9.79	5.46	12.95	431.26	426.17	428.09	451.88	430.25
32	Newspapers, Publishing (13)	526.79	+0.9	12.07	5.96	10.35	522.12	520.18	531.51	532.48	478.10
33	Packaging and Paper (14)	136.83	−1.0	17.67	8.11	6.58	138.19	137.74	139.56	142.57	138.87
34	Stores (45)	328.43	−0.5	8.87	4.24	14.97	329.96	319.57	319.98	327.59	252.16
35	Textiles (23)	161.32	−0.5	14.31	6.65	8.50	162.09	159.54	161.86	162.64	155.83
36	Tobaccos (3)	398.22	−0.8	20.10	6.95	5.56	401.38	394.76	396.73	403.55	258.42
39	Other Consumer (14)	279.84	+1.0	6.11	5.60	32.26	277.01	276.08	274.80	275.07	278.79
41	OTHER GROUPS (76)	263.93	−0.8	13.24	6.65	9.10	266.05	262.68	265.41	268.47	224.15
42	Chemicals (15)	349.78	−1.0	14.14	6.92	8.42	353.43	344.47	347.78	350.25	283.35
44	Office Equipment (4)	102.87	−1.0	15.81	8.49	7.77	103.96	103.30	105.33	106.24	107.58
45	Shipping and Transport (13)	548.15	−0.6	16.05	7.67	7.40	551.52	540.67	548.97	555.76	499.37
46	Miscellaneous (44)	350.44	−0.6	11.09	5.44	10.80	352.60	351.35	355.74	361.32	298.24
49	INDUSTRIAL GROUP (487)	362.95	−0.7	10.76	4.79	11.34	365.60	359.09	361.90	368.35	292.75
51	Oils (13)	719.95	−2.0	18.15	8.17	6.43	734.60	728.61	742.44	758.64	684.50
59	500 SHARE INDEX	392.20	−0.9	11.84	5.28	10.20	395.89	390.07	393.02	400.27	324.53
61	FINANCIAL GROUP (117)	250.26	−0.6	—	6.94	—	251.79	251.26	251.85	255.59	262.47
62	Banks (6)	257.28	−0.8	39.39	9.38	2.79	259.27	257.51	255.40	260.35	274.43
63	Discount Houses (9)	278.55	—	—	8.32	—	278.55	281.22	281.22	282.00	255.81
65	Insurance (Life) (9)	297.65	−0.8	—	6.30	—	300.09	292.67	291.08	293.28	282.27
66	Insurance (Composite) (10)	163.27	−0.5	—	8.71	—	164.16	163.58	164.11	165.75	171.81
67	Insurance Brokers (7)	496.19	−1.6	11.75	5.20	11.06	504.15	507.49	511.05	516.00	420.85
68	Merchant Banks (12)	141.65	−0.2	—	6.26	—	141.95	140.96	142.67	145.66	158.26
69	Property (49)	415.73	−0.5	5.63	3.96	23.75	417.85	421.18	424.74	433.19	408.78
70	Other Financial (15)	160.69	+0.2	15.98	7.13	7.38	160.37	163.60	164.76	168.65	176.85
71	Investment Trusts (112)	316.64	−0.1	—	5.21	—	316.95	314.51	316.16	317.98	308.83
81	Mining Finance (4)	215.88	−3.9	11.69	6.60	11.09	225.04	219.89	225.09	227.39	240.07
91	Overseas Traders (18)	366.31	−0.3	13.95	8.71	8.77	367.27	364.82	369.25	373.66	425.40
99	ALL-SHARE INDEX (750)	354.53	−0.9	—	5.61	—	357.71	353.27	355.79	361.81	312.87

FIXED INTEREST

	PRICE INDICES	Wed Sept 15	Day's change %	Tues Sept 14	xd adj. today	xd adj. 1982 to date
	British Government					
1	5 years	118.00	+0.07	117.92	—	8.22
2	5-15 years	125.38	+0.19	125.14	—	9.26
3	Over 15 years	132.67	+0.32	132.25	—	9.98
4	Irredeemables	136.08	—	136.08	—	8.90
5	All Stocks	124.99	+0.19	124.75	—	9.12
6	Debentures & Loans	99.32	+0.01	99.31	—	7.86
7	Preference	72.87	—	72.87	—	5.15

	AVERAGE GROSS REDEMPTION YIELDS		Wed Sept 15	Tues Sept 14	Year ago (approx.)
	British Government				
1	Low	5 years	9.36	9.36	13.88
2	Coupons	15 years	10.74	10.76	13.66
3		25 years	10.89	10.92	13.92
4	Medium	5 years	11.52	11.54	15.38
5	Coupons	15 years	11.71	11.76	15.74
6		25 years	11.16	11.19	15.30
7	High	5 years	11.57	11.59	15.27
8	Coupons	15 years	11.91	11.94	15.92
9		25 years	11.35	11.38	15.53
10	Irredeemables†		10.85	10.84	13.54
11	Debs & Loans	5 years	12.69	12.69	16.34
12		15 years	12.69	12.69	16.51
13		25 years	12.69	12.69	16.54
14	Preference†		13.50	13.50	15.91

† Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A new list of constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.

NEW HIGHS AND LOWS FOR 1982

NEW HIGHS (54)

COMMONWEALTH AND AFRICAN LOANS (1)
New Zealand 7½pc 1988-92

AMERICANS (6)
Alcoa — Gillette
Amer. Medical — IU International
Brunswick Corp. — Time Inc.

BUILDINGS (1)
Helical Bar

CHEMICALS (3)
Ellis & Everard — Scot. Ag. Inds.
Laporte Inds.

STORES (5)
Beattie (J.) "A" — Home Charm
Courts "A" — MFI
Grattan

ELECTRICALS (5)
Automated Sec. — Scholes (G. H.)
Cont. Microwave — Telefusion
Feedback

FOODS (1)
Linfood

HOTELS (1)
Trusthouse Forte

INDUSTRIALS (10)
Borg-Warner — Rotaprint 11½pc Pf.
Equios — Scapa Group
Haytors — Sheldon Jones
LRC — Utd. Parcels
Oriflame Int. — Watson (R. K.)

INSURANCES (3)
Equity & Law — Refuge
Liberty Life

LEISURE (1)
TVS N/V

MOTORS (1)
General Motors Units

NEWSPAPERS (1)
Utd. Newspapers

PAPER (1)
Ogilvy and Mather

PROPERTY (1)
Mountleigh

SHOES (1)
Ward White

TEXTILES (1)
Muston Brothers

TRUSTS (11)
Atlanta Baltimore — North Brit. Canadian
Bishopsgate Trust — Portland
Equity Defd. — Scot. Ontario
Equity Inc. — SPLIT Inc.
London & Lomond — TR Australia
Murray Glendevon

NEW LOWS (35)

BANKS (1)
Brindlays

BUILDINGS (2)
UBM Group — Whittingham

CHEMICALS (1)
Brent Chemicals

STORES (1)
Lee Cooper

ELECTRICALS (3)
Black (Michael) — Vitatron
Newmark (Louis)

ENGINEERING (4)
Acrow — Jones & Shipman
Johnson Firth Brown — Weir Gp. 10pcCv.Pf.

HOTELS (2)
Kennedy Brookes — Wheeler's

INDUSTRIALS (10)
Avon Rubber — Fogarty Defd.
Canning (W.) — Francis Inds.
Dyson (J. & J.) — Metalrax Jentique
Eng. China Clays — Royal Worcs.
Feedex Agricultural — Tilling (T.)

LEISURE (1)
Nimslo

MOTORS (1)
Dunlop

PROPERTY (1)
Daen Dev. Corp.

SHIPPING (5)
Common Brothers — Reardon Smith
London O'seas. Frtrs. — Do. "A"
Lyle Shipping

TRUSTS (2)
Gresham House — Bonusbond

OIL AND GAS (1)
Gulfstream Res. Canada

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	53	2	38
Corpns., Dom and Foreign Bonds	16	3	56
Industrials	171	435	722
Financial & Props.	78	177	318
Oils	8	42	88
Plantations	5	2	13
Mines	26	44	85
Others	63	37	45
Totals	420	882	1,336

Companies and Markets

CURRENCIES and MONEY

Dollar recovers

The dollar recovered in late trading yesterday as the U.S. Federal Reserve entered the market to drain liquidity. Earlier in the day attention had been focussed on news of a $4bn loan arranged by the French authorities to help prop up the French franc and the latter showed a firmer tendency initially before stabilising as the dollar improved. Sterling was slightly better overall, finishing hardly changed against the dollar and firmer against most European currencies.

DOLLAR — Trade weighted index (Bank of England) 122.1 against 122.5 on Tuesday and 113.6 six months ago. Three-month Treasury bills 8.03 per cent (12.84 per cent six months ago). Annual inflation rate 6.5 per cent (7.1 per cent previous month) — The dollar closed at DM 2.5150 against the D-mark compared with DM 2.5090 and SwFr 2.1450 from SwFr 2.1400. It was also up against the Japanese yen at Y263.25 from Y262.90 and FFr 7.0950 compared with FFr 7.0925.

STERLING — Trade weighted index 91.7, unchanged from noon but up from 91.6 at the opening and Tuesday's close (90.3 six months ago). Three-month interbank 10 15/16 per cent (13 1/16 per cent six months ago). Annual inflation 8.7 per cent (9.2 per cent previous month) —Sterling traded between $1.7050 and $1.7160 against the dollar and closed at $1.7070-1.7080, a fall of just 5 points. Against the D-mark it rose to DM 4.2950 from DM 4.2875 and SwFr 3.6625 from SwFr 3.6575. It was slightly down against the French franc at FFr 12.1075 from FFr 12.11.

D-MARK—EMS member (second weakest). Trade weighted index unchanged at 125.2 from Tuesday and 122.5 six months ago. Three-month interbank 8.125 per cent (9.875 per cent six months ago). Annual Inflation 5.1 per cent (5.6 per cent previous month)—The D-mark showed mixed changes at yesterday's fixing in Frankfurt. The dollar was weaker at DM 2.4998 compared with DM 2.5120 and sterling slipped to DM 4.2850 from DM 4.2890. However the French franc was firmer at DM 35.390 per FFr 100 from DM 35.290 and the Swiss franc improved to DM 1.1744 from DM 1.1720.

BELGIAN FRANC — EMS member (third weakest). Trade weighted index 94.7 against 94.6 on Tuesday and 96.3 six months ago. Three-month Treasury bills 13 per cent (13.75 per cent six months ago). Annual inflation 9.0 per cent (8.9 per cent previous month)—The Belgian franc maintained its recent steady trend in Brussels yesterday. Figures released indicated that Belgium's foreign currency reserves showed a further small rise as the authorities gave no assistance to the franc in the foreign exchange market. At yesterday's fixing the dollar fell to BFr 48.06 from BFr 48.34 and sterling was lower at BFr 82.3325 compared with BFr 82.40. Within the EMS the D-mark rose to BFr 19.2160 from BFr 19.2100 and the French franc rose sharply to BFr 6.8010 from BFr 6.7785.

SWISS FRANC — Trade weighted index 145.3 against 145.1 on Tuesday and 155.1 six months ago. Three-month interbank 4¼ per cent (7 11/16 per cent six months ago). Annual inflation 6.0 per cent (6.2 per cent previous month—The Swiss franc showed little change at the start of trading yesterday in Zurich. The dollar was quoted at SwFr 2.1435 hardly changed from SwFr 2.1430 on Tuesday. However the French franc moved firmer in later trading on news of a $4bn loan to be raised to support the French franc. The latter was quoted at SwFr 30.23 per FFr 100 up from SwFr 30.195. The D-mark eased to SwFr 84.335 per DM 100 from SwFr 85.39. ...

THE POUND SPOT AND FORWARD

Sept 15	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.7050-1.7160	1.7070-1.7080*	0.06-0.11c dis	−0.60	0.45-0.55dis	−1.17
Canada	2.1020-2.1160	2.1090-2.1100	0.40-0.50c dis	−2.56	1.28-1.38dis	−2.52
Nethlnd.	4.68-4.72	4.69½-4.70½	1½-1c pm	3.19	3½-3 pm	2.76
Belgium	82.00-82.80	82.10-82.20	8-18c dis	−1.90	40-50 dis	−2.19
Denmark	15.12-15.21	15.14-15.16	17⅞-20⅞ore dis	−16.05	32-34½ dis	−8.78
Ireland	1.2530-1.2580	1.2555-1.2565	0.42-0.56p dis	−4.68	1.29-1.48dis	−4.41
W. Ger.	4.27½-4.30½	4.29-4.30	1½-⅞pf pm	3.14	3½-2⅞ pm	2.91
Portugal	149.00-151.00	149.00-150.00	120-330c dis	−18.06	230-870dis	−15.38
Spain	193.00-194.00	193.10-193.30	85-110c dis	−6.05	420-460 dis	−9.11
Italy	2,407-2,416	2,411-2,413	16-18 lire dis	−8.71	57-61 dis	−9.78
Norway	11.85-11.91	11.86-11.87	1½-2½ore dis	−2.21	9½-11 dis	−3.50
France	12.06-12.15	12.10¼-12.11¼	6-9c dis	−7.43	20½-24½dis	−7.43
Sweden	10.64-10.70	10.66½-10.67½	3½-4½ore dis	−4.22	10½-11½dis	−4.03
Japan	447-452	449½-450½	1.40-1.20y pm	3.47	3.80-3.60 pm	3.29
Austria	30.00-30.20	30.03-30.08**	9-6½gro pm	3.09	23-17½ pm	2.69
Switz.	3.64-3.67	3.65½-3.66½	2½-2c pm	7.37	6½-5⅞ pm	6.89

Belgian rate is for convertible francs. Financial franc 85.00-85.10. Six-month forward dollar 1.48-1.58c dis, 12-month 3.45-3.60c dis.
* The closing rate on Sept 14 should have read 1.7075-1.7085.
** The closing rate on Sept 14 should have read 30.05-30.10.

THE DOLLAR SPOT AND FORWARD

Sept 15	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.7050-1.7160	1.7070-1.7080	0.06-0.11c dis	−0.60	0.45-0.55dis	−1.17
Ireland†	1.3555-1.3675	1.3555-1.3585	0.50-0.40c pm	3.96	1.15-1.00 pm	3.15
Canada	1.2315-1.2360	1.2355-1.2360	0.19-0.22c dis	−1.99	0.40-0.44dis	−1.36
Nethlnd.	2.7340-2.7540	2.7520-2.7540	0.90-0.80c pm	3.73	2.83-2.73 pm	4.07
Belgium	47.98-48.15	48.03-48.05	3-5c dis	−1.00	9-12 dis	−0.87
Denmark	8.8375-8.8745	8.8550-8.8650	12-13ore dis	−16.95	17½-19½dis	−8.14
W Ger.	2.4950-2.5160	2.5145-2.5155	0.80-0.75pf pm	3.70	2.60-2.55 pm	4.09
Portugal	87.15-88.50	87.15-87.45	95-230c dis	−22.34	200-600dis	−18.33
Spain	112.75-113.25	113.20-113.25	45-55c dis	−5.32	210-230 dis	−7.80
Italy	1,406-1,412	1,411-1,412	8½-9½ lire dis	−7.67	28-30 dis	−8.24
Norway	6.9290-6.9550	6.9450-6.9550	0.50-0.90ore dis	−1.21	2.40-3.80dis	−2.08
France	7.0375-7.1025	7.0925-7.0975	3¾-4c dis	−6.16	10¾-11¾dis	−6.23
Sweden	6.2240-6.2500	6.2400-6.2500	1.95-2.15c dis	−3.95	4.85-5.05dis	−3.18
Japan	261.50-263.75	263.20-263.30	1.00-0.85y pm	4.22	3.00-2.85 pm	4.44
Austria	17.54-17.61	17.54-17.55	2-5gro pm	3.75	18-15½ pm	3.81
Switz.	2.1240-2.1500	2.1445-2.1455	1.42-1.34c pm	7.72	4.12-4.04 pm	7.61

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 49.75-49.85.

CURRENCY MOVEMENTS

Sept. 15	Bank of England Index	Morgan Guaranty Changes%
Sterling	91.7	−31.8
U.S. dollar	122.1	+12.4
Canadian dollar	90.1	−17.7
Austrian schilling	117.5	+27.2
Belgian franc	94.7	−1.8
Danish kroner	80.6	−15.6
Deutsche mark	125.2	+40.8
Swiss franc	145.3	+96.0
Guilder	117.1	+24.7
French franc	72.7	−21.4
Lira	53.5	−58.5
Yen	130.2	+24.0

Based on trade weighted changes from Washington agreement December 1971. Bank of England index (base average 1975=100).

CURRENCY RATES

Sept. 15	Bank rate %	Special Drawing Rights	European Currency Units
Sterling	—	0.630160	0.546250
U.S. $	10	1.08022	0.942788
Canadian $	15.69	*	1.16151
Austria Sch.	6¾	18.9773	16.5459
Belgian F	12½	51.9154	45.2350
Danish Kr.	11	N/A	8.33189
D mark	7	2.70035	2.35461
Guilder	7	2.95548	2.57758
French F	9½	7.68635	6.64666
Lira	18	1512.87	1326.27
Yen	5½	N/A	246.775
Norwgn. Kr.	9	7.50915	6.53164
Spanish Pta.	8	121.897	106.394
Swedish Kr.	10	6.74381	5.86480
Swiss Fr.	5	2.29871	2.00550
Greek Dr'ch	20½	76.7280	66.7777

* C$/SDR rate for Sept 14: 1.33178.

OTHER CURRENCIES

Sept. 15	£	$		£ Note Rates
Argentina Peso	46,311†	86,280†	Austria	30.00-30.30
AustraliaDollar	1.7895-1.7915	1.0440-1.0460	Belgium	84.80-85.80
Brazil Cruzeiro	345.86-346.86	201.28-202.29	Denmark	15.12-15.26
Finland Markka	8.1890-8.2070	4.8000-4.8020	France	12.07-12.17
Greek Drachma	119.165-122.815	70.30-70.60	Germany	4.27-4.31
Hong Kong Dollar	10.42-10.43½	6.0860-6.0910	Italy	2376-2416
Iran Rial	145.80*	85.50*	Japan	448-454
Kuwait Dinar(KD)	0.498-0.499	0.2910-0.2911	Netherlands	4.67¼-4.71¼
Luxembourg Fr.	82.10-82.20	48.03-48.05	Norway	11.85-11.95
Malaysia Dollar	4.0350-4.0450	2.3575-2.3605	Portugal	147-166
New Zealand Dlr.	2.3635-2.3685	1.3725-1.3810	Spain	189¼-201¼
Saudi Arab. Riyal	5.8875-5.8945	3.4390-3.4410	Sweden	10.64-10.74
Singapore Dollar	3.7075-3.7175	2.1650-2.1680	Switzerland	3.63¼-3.67¼
Sth. African Rand	1.8655-1.8670	1.1610-1.1620	United States	1.70-1.72
U.A.E. Dirham	6.2845-6.2920	3.6710-3.6730	Yugoslavia	104-110

† Rate shown for Argentina is commercial. Financial rate 66,880-66,920 against sterling 38,950-39,000 against dollar. * Selling rate.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU September 15	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	44.9704	45.2350	+0.59	+0.37	±1.5501
Danish Krone	8.23400	8.33189	+1.19	+0.97	±1.6430
German D-Mark	2.33379	2.35461	+0.89	+0.67	±1.0888
French Franc	6.61387	6.64666	+0.50	+0.28	±1.3940
Dutch Guilder	2.57971	2.57758	−0.08	−0.30	±1.5004
Irish Punt	0.691011	0.689424	−0.23	−0.45	±1.6691
Italian Lira	1350.27	1326.27	−1.78	−1.78	±4.1369

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

EXCHANGE CROSS RATES

Sept. 15	Pound St'rling	U.S. Dollar	Deutschem'k	JapaneseYen	FrenchFranc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.708	4.295	450.0	12.108	3.665	4.700	2412.	2.110	82.15
U.S. Dollar	0.586	1.	2.515	263.5	7.091	2.145	2.753	1413.	1.235	48.11
Deutschemark	0.233	0.398	1.	104.8	2.812	0.853	1.094	561.6	0.491	19.13
Japanese Yen 1,000	2.222	3.794	9.544	1000.	26.91	8.152	10.44	5360.	4.688	182.6
French Franc 10	0.826	1.410	3.547	371.7	10.	3.028	3.882	1992.	1.742	67.85
Swiss Franc	0.273	0.466	1.173	122.8	3.306	1.	1.283	658.6	0.576	22.43
Dutch Guilder	0.213	0.363	0.914	95.74	2.576	0.779	1.	513.2	0.449	17.48
Italian Lira 1,000	0.415	0.708	1.781	186.6	5.020	1.518	1.949	1000.	0.875	34.06
Canadian Dollar	0.474	0.809	2.036	213.3	5.740	1.736	2.228	1143.	1.	38.94
Belgian Franc 100	1.217	2.078	5.228	547.8	14.74	4.458	5.721	2936.	2.568	100.

FT LONDON INTERBANK FIXING (11.00 a.m. SEPTEMBER 15)

3 month U.S. dollars		6 month U.S. dollars	
bid 11 15/16	offer 12 1/16	bid 12 13/16	offer 12 15/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Sept. 15	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin.	Yen	Danish Krone
Short term	10¾-11	10⅝-10⅞	12⅛-13½	7⅝-7⅞	6-6	7-7⅛	14-14¾	17-18½	10-11	11-11⅛	7-7¼	26-30
7 day's notice	10⅞-11	10¾-11	13-14	7⅝-7⅞	3-3½	7 1/16-7 3/16	14½-16	17-18⅛	11-12	11½-12	7 1/16-7 3/16	31-41
Month	10⅞-11	11⅛-11½	13⅛-13½	7¾-7⅞	3 5/16-3 7/16	7½-7⅝	16⅛-17⅛	17⅞-18⅞	11¾-12¾	12⅝-12⅞	7 1/16-7 3/16	35-40
Three months	10 15/16-11 1/16	12-12⅛	13⅛-13½	7⅞-8	4 3/16-4 5/16	7⅝-7¾	17¾-18¾	19¾-20½	12⅝-13⅝	12⅞-13⅛	7 5/16-7 7/16	23½-26
Six months	11-11⅛	12⅝-13	14¼-14½	8⅜-8½	4 5/16-4 7/16	8 1/16-8 3/16	18-19	21½-22⅛	13-14	13⅜-13⅝	7½-7⅝	21-23½
One Year	11 5/16-11 7/16	13 5/16-13 7/16	14⅝-14⅞	8½-8⅝	5 3/16-5 5/16	8 5/16-8 7/16	18¼-19⅛	21¼-22	13⅝-14⅜	13½-13¾	7½-7⅝	18½-20

SDR linked deposits: one month 10⅝-11⅛ per cent; three months 11⅛-11½ per cent; six months 11 13/16-12 5/16 per cent; one year 11 13/16-12 5/16 per cent.
ECU linked deposits: one month 11⅝-12 per cent; three months 11 13/16-12 5/16 per cent; six months 12⅛-12⅝ per cent; one year 12⅛-12⅝ per cent.
Asian $ (closing rates in Singapore): one month 11 7/16-11 9/16 per cent; three months 12 5/16-12 7/16 per cent; six months 13-13⅛ per cent; one year 13 5/16-13⅞ per cent.
Long-term Eurodollar: two years 13⅞-14⅛ per cent; three years 14⅛-14⅜ per cent; four years 14⅜-14⅝ per cent; five years 14⅝-14⅞ per cent; nominal closing rates.
Short term rates are call for U.S. dollars, Canadian dollars and Japanese yen; others two days' notice.
The following rates were quoted for London dollar certificates of deposit: one month 10.65-10.75 per cent; three months 11.25-11.35 per cent; six months 11.80-12.00 per cent; one year 12.10-12.20 per cent.

MONEY MARKETS

Revised shortage

UK clearing bank base lending rate 10½ per cent (since August 30 and 31)

Short-term interest rates showed little change, with most periods at around 11 per cent in the London money market. Monthly make-up day for the banks resulted in some fairly confused trading in overnight money however, and the Bank of England revised upwards very sharply its estimate of the daily credit shortage.

At first the shortage was estimated at £550m, but this was quickly revised to £500m. Main factors were expected to be: bills maturing in official hands and a net market take-up of Treasury bills −£239m, and Exchequer transactions −£260m.

In the afternoon the shortage was again revised, but this time sharply upwards, to a figure of £700m. Total money market assistance provided by the authorities was £691m.

Before lunch the Bank of England gave help of £201m by buying £6m bank bills in band 1 (up to 14 days) at 10⅝ per cent; £4m Treasury bills in band 2 (15-33 days) at 10½ per cent; £212m bank bills in band 2 at 10½ per cent; £10m Treasury bills in band 3 (34-63 days) at 10½ per cent; £2m bank bills in band 3 at 10⅜ per cent; £28m Treasury bills in band 4 (64-91 days) at 10⅜ per cent; and £30m bank bills in band 4 (64-84 days) at 10⅜ per cent.

In the afternoon the authorities made further outright purchases of £264m through purchases of £6m bank bills in band 1 at 10½ per cent; £107m bank bills in band 2 at 10½ per cent; £28m Treasury bills in band 3 at 10⅜-10½ per cent; £10m local authority bills and £77m bank bills in band 3 at 10⅜ per cent; and £36m bank bills in band 4 at 10⅜ per cent.

In Frankfurt call money eased to 7.95 per cent from 8 per cent, and is expected to decline further towards the end of the month after the present heavy demand for funds to meet seasonal tax payments has run its course. The easier trend yesterday was caused by the injection of DM 5.3bn in extra liquidity from the Bundesbank by way of Tuesday's tender for securities repurchase agreements at 7.75 per cent. These funds coupled with another repurchase plan, running since the beginning of the month, should assist the money market well beyond the present round of tax payments.

MONEY RATES

NEW YORK

Prime rate	13½
Fed funds (lunch-time)	10⅝-10⅞
Treasury bills (13-week)	8.03
Treasury bills (26-week)	9.48

GERMANY

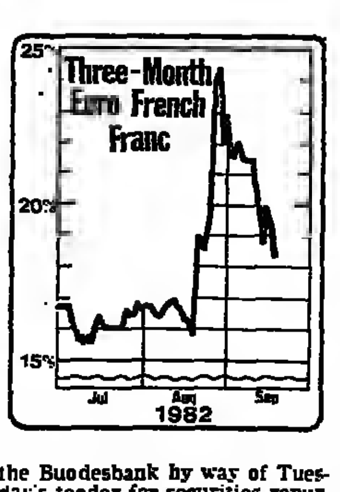
Lombard	8.0
Overnight rate	7.95
One month	7.925
Three months	8.125
Six months	8.25

FRANCE

Intervention rate	14.00
Overnight rate	14.125
One month	14.1875
Three months	14.3125
Six months	14.3125

JAPAN

Discount rate	5.50
Call (unconditional)	7.03125
Bill discount (three-month)	7.28125



EUROCURRENCIES

Lower franc rates

Euro French franc interest rates fell yesterday as the franc recovered on the foreign exchanges following the announcement of a syndicated $4bn 10-year loan to the French Government. The loan, which has been set at ½ per cent above the London interbank offered rate, will be used to increase currency reserves and defend the franc against speculation. The news of the loan led to a marked improvement by the franc against the dollar in spot trading, and also narrowed sharply the franc's discount in forward trading. Eurodollar rates also declined yesterday, narrowing the forward premium of strong currencies such as the D-mark, Swiss franc and Japanese yen against the dollar. Eurosterling rates were little changed, but several other Eurocurrency rates had a softer tone including Euroliras.

LONDON MONEY RATES

Sept. 15 1982	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ◆	Eligible Bank Bills ◆	Fine Trade Bills ◆
Overnight	—	9-12	10⅞-11	—	—	10¼-11⅛	9-10¾	—	—	—
2 days notice	—	—	10¾-10⅞	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	10⅞-11¼	10¾-10⅞	—	—	11¼	10½-10⅝	—	—	—
One month	10 13/16-10 15/16	10 13/16-11 1/16	10⅞	11⅛-11⅛	10¾	11¼	10⅛	10½	10⅜	11⅛
Two months	10 13/16-10¾	10⅞-11	10⅞	11¼-10⅞	10⅞	11¼	10⅛-10¼	10 5/16-10⅜	10 5/16-10⅜	11
Three months	10 15/16-10⅞	10⅞-11	10⅞	11⅛-10¾	11	11¼	10	10-10⅛	10½	10⅝
Six months	10 15/16-10⅞	10 15/16-11⅛	10⅞	10⅝-10	11	—	—	—	10 5/16	10 11/16
Nine months	10 15/16-10⅞	10 15/16-11⅛	—	10¾-10½	11⅛	—	—	—	—	—
One year	10 15/16-10⅞	11-11 1/16	11	10¾-10½	11¼	—	—	—	—	—
Two years	—	—	11	—	—	—	—	—	—	—

ECGD Fixed Rate Sterling Export Finance. Scheme IV Average Reference Rate for interest period 4 August to 7 September 1982 (inclusive): 11.097 per cent.

Local authorities and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage rates, nominally three years 11 per cent; four years 11 per cent; five years 11⅛ per cent. ◆ Bank bill rates in table are buying rates for prime papers. Buying rates for four-months bank bills 10 5/16-10¼ per cent; four months trade bills 10 11/16 per cent.

Approximate selling rate for one month Treasury bills 10⅜-10 5/16 per cent; two months 10⅜-10 5/16 per cent and three months 9 15/16-10 per cent. Approximate selling rate for one month bank bills 10½ per cent; two months 10 7/32-10 5/16 per cent and three months 10 5/16 per cent; one month trade bills 10⅝ per cent; two months 10 21/32 per cent; three months 10-41-64ths per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 12 per cent from September 1 1982. London and Scottish Clearing Bank Rates for lending 10½ per cent. London Clearing Bank Deposit Rates for sums at seven days notice 7⅞-7½ per cent. Treasury Bills: Average tender rates of discount 9.9052 per cent. Certificate of Tax Deposit (Series 6) 11 per cent from August 18. Deposits withdrawn for cash 9 per cent.

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED TRUSTS

INSURANCE & OVERSEAS MANAGED FUNDS

INSURANCES

Abbey Life Assurance Co. Ltd. (z)
1-3 St. Paul's Churchyard, EC4P 4DX. 01-248 9111

Property Fund	228.4	[illegible]	....	—
Equity Fund	55.6	[illegible]	+0.3	—
Property Acc.	257.5	[illegible]	....	—
Equity Acc.	55.1	[illegible]	+0.3	—
Selective Fund	158.1	[illegible]	+0.6	—
Money Fund	169.8	[illegible]	....	—
Convertible Fund	182.2	[illegible]	....	—
Prop. Fd. Ser. 4	210.7	[illegible]	....	—
Equity Ser. 4	61.6	[illegible]	+0.3	—
Man. Ser. 4	214.1	[illegible]	+0.4	—
Money Ser. 4	159.9	[illegible]	....	—
Conv. Ser. 4	154.0	[illegible]	....	—
Fixed Int. Fd. Ser. 4	132.3	[illegible]	....	—
American Ser. 4	126.1	[illegible]	+1.1	—
High Inc. Ser. 4	121.0	[illegible]	....	—
Indexed Inv. Series 4	99.5	[illegible]	....	—
Pension Property	320.4	[illegible]	....	—
Pension Equity	513.3	[illegible]	+1.3	—
Pension Selective	160.1	168.6	+0.5	—
Pension Managed	312.2	361.1	+0.6	—
Pension Security	228.7	[illegible]	....	—
Pension Fixed Int.	138.3	[illegible]	....	—
Pension Indexed Inv.	100.2	[illegible]	....	—

Albany Life Assurance Co. Ltd.
31, Old Burlington St., W.1. 01-437 5962

Equity Fd. Acc.	333.5	351.0	+2.1	—
Fixed Int. Acc.	215.1	226.4	+1.0	—
Gtd. Money Fd. Ac.	159.0	167.3	+0.1	—
Intl. Man. Fd. Acm.	147.1	154.7	+0.2	—
Intl. Fxd. Int. Fd.	115.8	121.9	+0.3	—
Prop. Fd. Acc.	140.3	148.7	....	—
M'ple Inv. Acc.	263.5	277.3	+2.2	—
Equity Pen. Fd. Acc.	439.1	455.2	....	—
Fixed I. Pen. Acc.	359.9	378.8	+2.8	—
G'td. Mon. Pen. Acc.	222.6	234.3	+0.1	—
Intl. Mn. PnFdAcc	171.3	180.3	+0.5	—
Prop. Pen. Acc.	212.6	223.8	+0.1	—
M'ple Inv. Pen. Acc.	388.2	408.6	+2.2	—

AMEV Life Assurance Ltd.
2-6, Prince of Wales Rd., B'mouth. 0202 762122

Managed Fd.	207.5	218.6	....	—

Crown Life—Continued

St. George Mangd. Fd.	111.5	[illegible]	....	—
Lincs & Gen. Fd.	118.2	[illegible]	....	—
Sage Fd.	91.6	[illegible]	....	—
Heritage Fd.	102.8	[illegible]	....	—
DBS Managed	111.5	[illegible]	....	—
Crown. Brit. Inv. A.		223.5	....	—
Pens. Mixed. Fd.	159.9	[illegible]	+0.4	—
Pens. Mang'd. Acc.	139.0	[illegible]	+0.3	—
Pens. Mang'd. Init.	134.9	[illegible]	+0.3	—
Pens. Equity Acc.	108.8	[illegible]	+0.9	—
Pens. Equity Init.	103.0	[illegible]	+0.9	—
Pens. Fxd. Int. Acc.	119.5	[illegible]	+0.5	—
Pens. Fxd. Int. Init.	114.3	[illegible]	+0.5	—
Pens. Money Acc.	111.9	[illegible]	+0.1	—
Pens. Money Init.	106.8	[illegible]	+0.1	—

Crusader Insurance PLC
Tower Plse, 38 Trinity Sq., EC3N 4DJ. 488 2325

Growth Prop. Sept. 7	104.6	115.2	....	—
Mngd Pens. Aug 11	120.33	122.07	....	—

Eagle Star Insur./Midland Assur.
1, Threadneedle St., EC2. 01-588 1212

Eagle/Mid. Units	87.1	90.3	-0.5	5.64

Equity & Law Life Ass. Soc. Ltd.
Amersham Road, High Wycombe. 0494 33377

UK Equities Fund	201.1	211.6	-1.6	—
Higher Inc. Fund	132.5	139.4	-0.9	—
Property Fund	193.9	204.1	....	—
Fixed Interest Fund	160.2	168.6	+0.2	—
Index Linked Secs Fnd.	95.9	100.9	....	—
Gtd. Deposit Fund	137.6	144.8	....	—
Nth. American Fund	118.8	125.0	+1.5	—
Far East Fund	82.1	86.4	-0.1	—
International Fund	103.9	109.3	+0.5	—
Mixed Fund	180.5	189.9	-0.1	—

Equity & Law (Managed Funds) Ltd.
Amersham Road, High Wycombe. 0494 33377

Ind. Pen. Equity	206.8	217.6	....	—
Ind. Pen. Property	148.0	155.7	....	—
Ind. Pen. Fixed Int.	157.4	165.6	....	—
Ind. Pen. Indx Lk. Scs.	105.1	110.6	....	—
Ind. Pen. Overseas	156.5	164.7	....	—
Ind. Pen. Cash	139.3	146.6	....	—
Ind. Pen. Balanced	167.5	176.4	....	—
Ind. Pen. Dep. Admin.	139.8	147.1	....	—

Prices at Sept. 9. Next settlement Oct. 14.

[illegible]

OFFSHORE AND OVERSEAS

[illegible]

NOTES

[illegible]

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

[illegible]

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

Index-Linked & Variable Rate

[illegible]

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH AND AFRICAN LOANS

[illegible]

LOANS

Public Board and Ind.

[illegible]

LOANS—Continued

Financial

[illegible]

Building Societies

[illegible]

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

CANADIANS

[illegible]

BANKS AND HIRE PURCHASE

[illegible]

BANKS & H.P.—Cont.

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

CHEMICALS, PLASTICS—Cont.

[illegible]

DRAPERY AND STORES

[illegible]

ELECTRICALS

[illegible]

ELECTRICALS—Continued.

[illegible]

ENGINEERING MACHINE TOOLS

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

FOOD, GROCERIES—Cont.

[illegible]

HOTELS AND CATERERS

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

INDUSTRIALS—Continued

[illegible]

INSURANCES

[illegible]

LEISURE

[illegible]

LEISURE—Continued

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

INVESTMENT TRUSTS-Cont.

[illegible]

Finance, Land, etc.

[illegible]

OIL AND GAS

[illegible]

OIL AND GAS—Continued

[illegible]

OVERSEAS TRADERS

[illegible]

PLANTATIONS

Rubbers, Palm Oil

[illegible]

Teas

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

[illegible]

Finance

[illegible]

Diamond and Platinum

[illegible]

MINES—Continued

Central African

1982 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
200	75	Falcon Rh.50c.	180	......	Q25c	10.3	6.9
33	19	Wankie Col. Z$1	20	......	Q3c	1.2	8.2
21	12	Zam.Cpr.SBD0.24	15	......	—	—	—

Australian

[illegible]

Tins

[illegible]

Miscellaneous

40	20	Anglo-Dominion	37	......	—	—	—
16½	12	Burma Mines 10p	14	......	0.55	1.0	5.6
130	27	Colby Res. Corp.	95	......	—	—	—
292	170	Cons. Murch. 10c.	270	−10	‡Q60c	1.9	‡
8	1½	‡‡Explaura Gold	3	......	—	—	—
105	55	Highwood Res.	85	......	—	—	—
255	160	Northgate C$1	240	......	—	—	—
468	344	R.T.Z.	418	−15	16.0	2.1	5.5
£108½	£84	Do.9½%Cnv.Ln.95-2000	£102½	−1½	Q9½%	30.0	f9.5
20	11	Sabina Inds. C$1	12	......	—	—	—
44	27	‡Southwest C. 10p	39	−1	—	—	—
500	270	Tara Exptn. $1	335	......	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ◆ Figures or report awaited.
- ✤ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ‡‡ Dealt in under Rule 163(3).
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ◆ Merger bid or reorganisation in progress.
- ✤ Not comparable.
- ◆ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ‖ No par value.
- ♥ Rate applicable to non-Zimbabwean residents.

Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1983-84. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1982. K Figures based on prospectus or other official estimates for 1981-82. M Dividend and yield based on prospectus or other official estimates for 1983. N Dividend and yield based on prospectus or other official estimates for 1982-83. P Figures based on prospectus or other official estimates for 1982. @ Gross. T Figures assumed. Z Dividend total to date. Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xc ex capital distribution.

REGIONAL AND IRISH STOCKS

The following is a selection of regional and Irish stocks, the latter being quoted in Irish currency.

Stock	Price	+ or −	IRISH	Price	+ or −
Albany Inv. 20p	42	......			
Bertrams	17#	......	Nat. 9¾% 84/89	£79½	......
Bdg'wtr. Est. 50p	455	......	Fin. 13% 97/02	£84¼	......
Craig & Rose £1	£12½	......	Alliance Gas	105	+2
Finlay Pkg. 5p	30	......	Arnott	220	......
Graig Ship. £1	£21	......	Carroll (P.J.)	76	......
Higsons Brew	90	......	Concrete Prods.	60xd	......
Holt (Jos) 25p	800	......	Helton (Hldgs.)	17	......
I.O.M. Stm. £1	80	......	Ins. Corpn. Ireland	410	......
Pearce (C. H.)	£12	......	Irish Ropes	53	......
Peel Hldgs.	157	......	Jacob	68	......
Sheff. Refrshmt	130	......	T.M.G.	5½	−½
Sindall (Wm.)	245	......	Unidare	46	......

OPTIONS

3-month Call Rates

Industrials					
		House of Fraser	15	Utd. Drapery	7
Allied-Lyons	8	I.C.I.	24	Vickers	16
BOC Intl.	15	"Imps"	8	Woolworths	5
B.S.R.	8½	I.C.L.	5½		
Babcock	10	Ladbroke	15	Property	
Barclays Bank	42	Legal & Gen.	19	Brit. Land	7½
Beecham	22	Lex Service	10	Cap. Counties	10
Blue Circle	48	Lloyds Bank	42	Land Secs.	28
Boots	19	"Lofs"	6½	MEPC	20
Bowaters	24	London Brick	•	Peachey	14
Brit. Aerospace	17	Lucas Inds.	20	Samuel Props.	11
B.A.T.	38	"Mams"	12	Town & City	3½
Brown (J.)	7	Mrks. & Spncr	12		
Burton Ord.	15	Midland Bank	30	Oils	
Cadburys	9	N.E.I.	6	Brit. Petroleum	26
Courtaulds	8	Nat. West. Bank	56	Burmah Oil	10
Debenhams	7	P & O Dfd.	10	Charterhall	6
Distillers	15	Plessey	32	KCA	14
Dunlop	6½	Racal Elect.	25	Premier	6
Eagle Star	31	R H.M.	6½	Shell	30
F.N.F.C.	4	Rank Org. Ord.	20	Tricentrol	22
Gen Accident	28	Reed Intnl.	26	Ultramar	38
Gen. Electric	65	Sears	6		
Glaxo	42	T.I.	13	Mines	
Grand Met.	17	Tesco	5½		
G.U.S. 'A'	48	Thorn EMI	42	Charter Cons.	25
Guardian	25	Trust Houses	11	Cons. Gold	45
G.K.N.	15	Turner & Newall	12	Lonrho	7
Hawker Sidd	30	Unilever	55	Rio T. Zinc	42

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 35

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £600 per annum for each security

FINANCIAL TIMES
Thursday September 16 1982

BOARD'S 6% OFFER AN INSULT TO MINERS, SAYS SCARGILL

NCB links pay rise to cuts

BY JOHN LLOYD, LABOUR EDITOR

THE NATIONAL Coal Board yesterday sought to draw the National Union of Mineworkers into a joint response to the mounting problems in the industry—by making an increased wage offer conditional on the union's collaboration in cost-cutting.

The board has set aside £120m for pay increases for all of its workforce, some 81 per cent of which is available to the mineworkers. This would give them increases of 6-5.5 per cent on minimum grade rates.

But the offer was rejected as "an insult" by Mr Arthur Scargill, NUM president.

The two sides are to meet next Thursday but Mr James Cowan, the NCB deputy chairman, who leads the talks for the board, said that if the union refused to explore ways of overcoming the industry's difficulties and improving results, yesterday's "offer" would be final.

A background paper on the industry presented to the union makes an implicit assumption of a coal price increase in November averaging between 6 and 7 per cent. A higher wage settlement would mean a higher price increase—unless the board secured its objective of agreeing cost savings with the union.

Mr Scargill said after a 2½-hour meeting with the NCB that the offer was worth an extra £3 a week. The union has claimed £27.20 a week across the board, which would represent a 31 per cent increase to the lowest-paid surface worker.

He described the offer as "an insult to mineworkers" and said that unless the board "responded positively" at the meeting of the two sides next Thursday, "the dangers of conflict are there."

The rejection of the board's first position by the NUM executive was unanimous — although Mr Sid Vincent, right-wing president of the Lancashire miners, said later that "if there was a reasonable offer made the lads would accept it."

The NUM executive meets today and is expected formally to reject the board's proposals. Under the terms of the union conference resolution on wages —to which Mr Scargill is determined to adhere—it could call a national delegate conference to seek a rejection. It could then proceed to a ballot giving the executive powers to call industrial action, including strikes.

It is thought more likely, however, that the executive call for a delegate conference will come after Thursday's talks. The widely differing statements made by both sides after yesterday's meeting suggests that these talks will not produce an agreement.

Mr Cowan told the miners' negotiating committee yesterday that the full cost of the union's claim would be £1bn. To concede it would "cause irreparable damage to the industry and its future prospect."

Mr Scargill has insisted that, under the terms of the conference resolution, the claim must be met in full.

The board's paper gives a gloomy review of the sales outlook, pointing out that only the industrial market has scope for expansion—and then only if customer confidence in supply is ensured.

Economic Viewpoint, Page 22
Ministers hope for cuts pact, Page 9

A class divide on central heating

By Robin Pauley

KEEPING WARM is a priority for Britain's professional workers: 86 per cent of them have central heating in their homes compared with less than half the unskilled and semi-skilled population.

But differentials on other household items are far smaller, in spite of the professional's greater earning capacity.

About 99 per cent of skilled and semi-skilled workers have a television, but only 95 per cent of the professional group have one, according to the Government's General Household Survey, the latest edition of which is published today to show how we lived in 1980.

There is still no single consumer item which all members of the leading socio-economic group can be said to possess. In most cases the other groups of workers are spending their money on household durables at a rate which brings them much closer to the ownership levels of their bosses.

Professional and manual workers are on a par when it comes to housecleaning—only 3 per cent in each group are *without a vacuum cleaner.*

The professional is ahead with refrigerators: 98 per cent possess one compared with 87 per cent of the total population, although curiously the professional figure is down from the 99 per cent figure for 1976.

Some 7 per cent of professional people and 28 per cent of all households still have no telephone. In 1972 only four people in 10 had a phone.

The number of professional people owning a car or van fell from 92 per cent in 1976 to 91 per cent in 1980. The number of households with three or more cars and vans is still 2 per cent.

Only one in five professional workers now smoke. The male unskilled manual worker is the only socio-economic group with more than 50 per cent smoking.

Drinking is more difficult to pin-point. Only about 18 per cent of professional men and 30 per cent of male employers and managers declare themselves as moderate or heavy drinkers.

However, as a large Scotch or two sherries, two glasses of wine and a small brandy or port once or twice a week qualified as moderate and another Scotch and a third glass of wine is well into heavy drinking, the survey notes cautiously: "All surveys of *drinking underestimate* the alcohol consumed."

General Household Survey; Office of Population Census and Surveys. Social Survey Division: HMSO £12.70.

Details, Page 7

THE LEX COLUMN

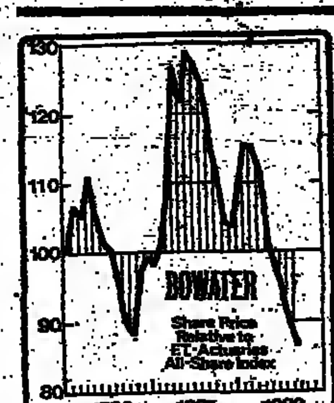
How Bowater bends with the wind

Fortunately for Bowater, its North American trees are converted into newspapers, not bonses. Final demand for newsprint is still showing some improvement and, after foreign exchange gains of £6.5m, the group has been able roughly to maintain profits for the half year to June at £42.3m pre-tax.

Bowater's strong presence in the more resilient southern states of the U.S., coupled with its relatively low production costs, have enabled it to run newsprint plants at full capacity *throughout the first half.* Even Bowater has been producing for stock, however, while customers who built up large inventories to guard against threatened strikes earlier in the year have now curtailed purchases.

So Bowater has put some plant in temporary mothballs and, even with a $20 per tonne price increase in November, profits will not show much advance in the second half. The UK paper business remains a disaster area but the packaging interests are performing well and Bowater is now shot of its commodity trading losses. Profits for the year will relapse to familiar territory around £85m pre-tax, after last year's aberrant spurt, but shareholders are rewarded with an 8.5 per cent yield at last night's price of 197p.

Index fell 9.5 to 576.2



Thomas Tilling

When Thomas Tilling dashed for growth in the U.S. with a formula that matched its assets there with dollar debt, it reckoned without the double-edged sword of a strengthening dollar and weakening U.S. economy. The much worse than expected mid-year figures show a £4m fall in U.S. trading profits —which would have been steeper but for exchange movements. There is also a £9.4m leap in the interest charge, accounted for by much *higher working capital requirements* as last year's high-flying energy business took a dive, and unfavourable currency translation.

The gearing of the sterling balance sheet must have risen sharply and will be up at the year-end even after a cut-price sale of energy equipment, a brake on the acquisition budget and better cash flow thanks to loss elimination. Tilling has been helped to some extent by its fixed rate dollar borrowings of earlier years, which kept the first half average interest rate down to 12 per cent. Yesterday the *shares slid 10p* to a new two year low of 118p, at which price the yield on a maintained total dividend is 10 per cent.

RTZ

The composition of Rio Tinto-Zinc's earnings has rarely shown much consistency. In 1980, CRA was much the largest contributor while last year a mysterious substance called Borax accounted for half of attributable earnings. There are no *windfalls this time but at* least RTZ is seeing the benefit of its drive to counter the cyclicality of mining earnings.

Attributable earnings for the six months to June have fallen 38.5 per cent to £28.9m. Borax has come off the boil, although it still chipped in earnings of £18.1m; and CRA is heavily in loss. Palabora's very low cost structure has insulated it from the depression in the copper market but the defensive strengths of RTZ are currently *its industrial interests.* The new Tunnel/Ward companies made a contribution after funding costs, while RTZ Industries pushed up earnings by 14 per cent thanks mostly to home insulation.

RTZ may be grateful for its industrial insurance policy but the yield of 5.5 per cent at 418p, says more about the potential recovery in base metals than about cement.

BL

BL's corporate objective of breakeven at the pre-interest level in 1983 has recently been watered down to read "approaching breakeven"—but there is no doubt that progress is being made with that impossible p & l account. The 1982 first half trading loss is down to £61m from £143m, and the £82m improvement runs right down to the very bottom line.

Given the state of the market, particularly in commercial vehicles, this is some kind of achievement. BL has clung on to volume, imposed working capital controls and buying practices that make its suppliers shiver, and pushed through considerable productivity gains — from a most unproductive base —very largely through demanning.

To return to breakeven means a *£120m per annum increase in* revenue relative to costs, a sum equivalent to 4 per cent of turnover. This will require better markets for both cars and trucks, a successful launch for the new mid-range car, and no more discounting. To talk about an end to government funding, as the company is now doing, looks extremely premature, and the idea of introducing private capital even into the most attractive parts of the group takes a one-sided view of *investor attitudes to risk.*

Eagle Star

Interim figures from Adlerstern Versicherungen—whoops, Eagle Star—show the familiar pattern of exceptional bad weather claims, perhaps £12m in the UK, contributing to an overall rise in underwriting losses from £14m to £36m. Pre-tax profits are down from £38.5m to £24.0m, and although there seems to be a concerted attempt in the insurance industry to talk up commercial premium rates, this is having little impact in the market place. New life and pensions business is also suffering from the recession.

There is nothing here to justify a dividend increase after last year's 43 per cent leap. Still, had Eagle Star felt particularly jumpy about the intentions of Allianz, its 28 per cent shareholder, it might well have done more than maintain the interim. Without the chance of a bid, the shares would still look too high at 334p, where they yield 6½ per cent.

Eagle Star's directors leave shortly for a trip to Munich, from which they will surely return clutching a scrap of paper about joint ventures. Allianz may have concluded that, after the Royal Bank of Scotland affair, contested bids for major UK financial institutions are not on. But Eagle Star's staff cannot really be sure whether the next relocation will be to Croydon or Garmisch.

Government Broker appointed

By John Moore, City Correspondent

MR NIGEL ALTHAUS, the senior partner of stockbrokers Pember and Boyle, is to be the new Government Broker, after the death of Lord Cromwell last month.

In a break with tradition, the Government has looked outside the partners of Mullens, the official broker to the Government, for Lord Cromwell's successor.

The Government Broker is appointed by the Chancellor of the Exchequer and performs one of the most important roles in the UK's financial markets: raising money for the Treasury through the gilt-edged securities market.

Although the Chancellor is not obliged to choose a Government Broker from Mullens, whoever he appoints automatically *becomes* senior partner of Mullens.

But the sudden death of Lord Cromwell, in a riding accident, presented a problem for the authorities. In the City it was felt that Mr Roger Daniell, 42, the present deputy government broker and a partner at Mullens, was too young for the job. He will remain in his present position as Mr Althaus's deputy.

Mr Althaus moves from Pember and Boyle to Mullens next month. In other changes, Mr Guy Nissen, a former deputy chairman of the Stock Exchange and a partner at Pember and Boyle, assumes the role of senior partner from Mr Althaus.

Men and Matters, Page 22

Decision on £10m for Inmos may have to be made this year

BY GUY DE JONQUIERES

THE GOVERNMENT may have to decide this year whether to inject £10m more into Inmos, the state-backed microchip maker, on top of almost £100m it has invested in the project so far.

Inmos is pressing for a quick decision. It has made plain that failure to find extra money, or a long delay, would force it to defer plans to start volume chip production at its UK plant near Newport, South Wales, to conserve its dwindling cash balances.

That could jeopardise one of the central goals of Inmos's strategy, which calls for mass *production at Newport of* micro-electronic memories developed at its U.S. facility in Colorado.

The British Technology Group (BTG), which owns 75 per cent of Inmos, has not yet formally asked for extra Government funds. But the Industry Department believes BTG may have little alternative, and is drawing up an urgent report on Inmos's position.

The department would probably set conditions in exchange for backing a demand for extra finance. These would be likely to include a reduction in the equity stakes held by Dr Richard Petritz and Dr Iann Barron, Inmos's co-founders, each of whom owns about 5 per cent of the company.

Nonetheless, the issue could prove controversial in the Cabinet, which argued for months before deciding to give Inmos its last £25m tranche of equity *investment in 1980.*

BTG was advised this week by two groups of U.S. consultants, that though Inmos was still suffering from production teething troubles, its technology was of a high standard and its *prospects good enough to justify* further investment.

BTG has been studying various possible options for raising private finance for Inmos. But it is feared in Whitehall that none of them will bear fruit in time to meet the company's needs.

City institutions have indicated that they would be reluctant to invest in Inmos on terms acceptable to BTG until the company has proved itself.

Another option would be for Inmos to share its technology with an established computer or electronics company in exchange for cash payments, though it is thought this would take time to arrange.

Several big U.S. companies have expressed an interest in buying Inmos. But they have been discouraged by both BTG and Inmos's management from taking the matter any further.

Inmos's cash, in the form of equity and unused borrowings, is understood to total about £20m. This would be exhausted by early next summer if the company continued to expand *its investments at Newport*, but could probably last until the end of next year if mass production at the plant were deferred.

It is calculated that Inmos's borrowing ceiling could be increased by about £5m if the Government altered the exchange rate on which it is based. Inmos borrows mainly in dollars at an exchange rate fixed in 1980, when sterling was much stronger against the U.S. currency than it is today.

Thatcher heads for Far East

BY ALAIN CASS, ASIA EDITOR

MRS MARGARET THATCHER, the Prime Minister, sets off today on what is being billed as a "major" trip to the Far East, which will include discussions over the future of Hong Kong with Chinese leaders in Peking.

Her two-week trip will begin in Tokyo on Friday, where the question of Japan's persistent trade surpluses is likely to be a major and controversial topic.

While in Tokyo, she also plans to meet Mr Katsuji Kawamata, chairman of Nissan Motor, which shelved its plan to build a big assembly plant in the UK. Officials accompanying Mrs Thatcher say she is unlikely to get the deal revived on this trip.

Mrs Thatcher's visit to China, the first by a British Prime Minister while in office, is likely to be crucial in setting the tone for the negotiations on Hong Kong's future.

The lease on most of the colony runs out in 1997. Britain claims ownership in perpetuity of Hong Kong island, but China has never recognised the treaties which form the basis of Britain's claim.

Although officials are carefully discounting the possibility of a breakthrough on this visit, preferring instead to talk of a "step-by-step" approach, pressure on Mrs Thatcher to come up *with something to calm* the colony's nerves has been growing.

Fears among the commercial and financial community about Chinese intentions sent share prices falling sharply on the Hong Kong stock exchange this summer. Mrs Thatcher has spent the past week in intensive talks with officials including Sir Edward Youde, Hong Kong's new governor, working on specific proposals.

China — which gets about 40 per cent of its foreign exchange from Hong Kong — has repeatedly said it does not wish to destroy foreign confidence

Richard Hanson reports from Tokyo: Anglo-Japanese trade relations, which have deteriorated sharply this year, will undoubtedly figure high on the list of priorities of Mrs Thatcher's official visit to Japan. But the UK is not expected to allow the issue of bilateral trade balances to overshadow all other aspects of the trip.

Britain and Japan are trying to work out the details of what is expected to be a broad agreement on high technology and scientific co-operation, similar to one Japan arranged recently with France. The agreement may not be ready for signing during the visit itself, but both sides appear to be keen on it.

Feature, Page 23

RTZ's net earnings down 38.5%

BY KENNETH MARSTON, MINING EDITOR

RIO TINTO-ZINC, the British-based international mining and industrial group, reports a 38.5 per cent drop in net attributable earnings to £28.9m in the first half of this year. But the interim dividend is being maintained at 5.5p net.

At pre-tax level profits are down from £173.5m to £100.4m. The outcome was below City expectations and on the Stock Exchange RTZ shares closed 15p down on the day at 450p. The group hopes that earnings, at least, will be no worse in the second half.

The first half fall is a reflection of the world recession which has hit prices of base metals and resulted in losses for many leading mining groups. Copper prices, for example, are at their lowest in real terms since the 1930s. Hardly any of the world's mines can produce copper at a profit.

RTZ's big Australian arm, CRA, is one of the many majors to have gone into deficit. RTZ has avoided following suit thanks to its other diversified mining and industrial interests which include the still profitable RTZ Borax, the Rossing uranium mine in Namibia and the recently-acquired Thomas W. Ward and Tunnel Holdings building materials subsidiaries in the UK.

Looking ahead RTZ notes that precious metal prices have picked up sharply and those of most base metals have stopped falling. Copper has been helped by sharp cuts in production by the North American mines.

But a sustained improvement in trading conditions generally would be needed to brighten the group's overall performance and does not seem likely before the end of the year.

Details, Page 28

Continued from Page 1

Saudis

established in Delaware. The British Government, through the Northern Ireland Department of Economic Development, will have a 5 per cent stake in that concern. Other shareholders include the limited partnership which earlier *contributed* about £18m to the aircraft's development and members of the late Mr Lear's family.

Mr Adam Butler, Minister of State for Northern Ireland, said the Government would have two *directors* on the boards of both Lear Fan and its parent. It would also have rights to substantial royalties from the sale of each aircraft. He said he was "absolutely delighted" at the latest development.

Lear-Fan announced the appointment of Mr Bob Burch, an independent oil operator from Denver, Colorado, as chairman and chief executive officer. He appears to be the key figure in the refinancing deal. Although he has no aviation experience, the fresh capital appears to result from his close ties with Saudi oil industry personalities.

Mr Burch said the motivation of the new investors was "purely one of profit." They believed the Lear Fan aircraft would be *the corporate aircraft as far* into the future as they could see.

It will be powered by two turbine engines connected to one rear-mounted pusher propeller and the company claims significant fuel advantages over existing competitors.

Two prototypes are flying in the U.S. and the company expects the Federal Aviation Authority to grant type certification next autumn. The aircraft will sell for $1.85m *(£1.05m)* and has attracted 272 advance orders.

The company believes the prospect of jobs in Northern Ireland would be enhanced if an easing of the recession brought about a revival in the general aviation market. *The present* labour force, both in Northern Ireland and the U.S., was laid off for a week earlier this summer when the company was hit by a cash shortage.

Continued from Page 1

France seeks $4bn

in August by only 0.3 per cent, reflecting a deceleration of inflation under the prices freeze to an *annual rate of 10.3* per cent.

With the addition of the $4bn loan to the reserves, the Government feels it has it strengthened its resources to defend the franc. It can also *call on credit lines* within the EMS other borrowings from the European Community.

In a further effort to narrow the trade deficit which has been at the heart of the franc's problems, the Cabinet yesterday announced measures to stimulate exports, including improved *export credit facilities* and aid for small and medium-sized businesses seeking overseas markets.

The Government decided in a further gesture to industry virtually to exempt working capital *from the wealth tax*, which comes into force this year. Small, privately-owned businesses had complained that the tax would be a crippling burden for them.

Continued from Page 1

Computer

puters, 30,000 visual display units and 3,000 microcomputers installed in local social security offices. Equipment alone will cost *about £200m.*

Computerisation will entail integrating pensions and child benefit claims which are already on computer. Almost £40m has been invested in computers.

Two computers, based at Reading and Livingston, are linked to unemployment offices to pay benefits to the unemployed.

Social Security Operational Strategy —a framework for the future. From HMSO, price £2.35.

Weather

UK TODAY

Warm after overnight fog clears.

Scotland, N. Ireland, Lake District

Cloudy, mostly dry with sunny intervals. Max. 22C (72F).

Rest of England and Wales

Dry sunny periods, very warm, cooler on coasts. Max. 25C (77F).

Outlook

Mainly fine and warm, the north becoming cloudy with rain in places.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	26	79	L. Ang.†	C	19	66
Algiers	S	26	79	Luxmbg.	S	25	77
Amsdm.	S	24	75	Luxor		—	—
Athens	S	30	86	Madrid	S	26	79
Bahrain		—	—	Majorca	F	28	82
Barclna.	S	27	81	Malaga	C	25	77
Beirut		—	—	Malta	C	23	73
Belfast	F	19	66	M'chstr.	C	15	59
Belgrd.	S	26	79	Melbne.		—	—
Berlin	S	25	77	Mx. C.†		—	—
Biarritz	S	30	86	Miami†	S	25	77
Bmghm.	C	15	59	Milan		—	—
Blackpl.	C	16	61	Montrl.†	R	11	52
Bordx.	S	28	82	Moscow	F	11	52
Boulgn.	S	26	89	Munich	S	24	75
Bristol	S	19	66	Nairobi	C	19	66
Brussels	S	27	81	Naples	S	28	82
Budpst.	S	26	79	Nassau		—	—
Cairo	S	32	90	Newcstl.	F	18	64
Cardiff	S	19	66	N. York†	S	19	66
Cas'b'ca		—	—	Nice	S	28	82
Cape T.	S	17	63	Nicosia	S	29	84
Chicg.†	Fg	20	68	Oporto	F	28	82
Cologne	S	26	79	Oslo	S	20	68
Conhgn.	S	18	64	Paris	S	27	81
Corfu	S	30	86	Perth	R	13	55
Denvert	R	7	45	Prague	S	27	81
Dublin	C	18	64	Reykjvk.	R	6	43
Dbrvnk.	S	28	82	Rhodes	S	29	84
Edinbgh.	F	20	68	Rio J'o†		—	—
Faro	C	24	75	Rome	S	29	84
Florence	S	29	84	Salzbrg.	S	25	77
Frankft.	S	27	81	S. F'cisco†	C	15	59
Funchal	F	23	73	S. Moritz		—	—
Geneva	S	23	73	Singapr.	F	31	88
Gibraltar	C	22	72	S'tiago.†		—	—
Glasgow	C	15	64	Stckhm.	F	17	63
G'nsey	S	23	73	Strasbg.	S	24	75
Helsinki	C	15	59	Sydney		—	—
H. Kong	C	27	81	Tangier	F	26	79
Innsbrk.	S	25	77	Tel Aviv		—	—
Invrnss.		—	—	Tenerife	C	26	79
I.o.Man	C	15	59	Tokyo	C	20	68
Istanbul	S	26	79	T'ronto†	R	13	55
Jersey	S	23	73	Tunis		—	—
Jo'burg	S	24	75	Valencia	F	24	75
L. Plms.	F	24	75	Venice	S	25	77
Lisbon	S	26	79	Vienna	S	24	75
Locarno	S	24	75	Warsaw	S	20	68
London	F	25	77	Zurich	S	22	72

C—Cloudy. F—Fair. Fg—Fog. R—Rain. S—Sunny.
† Noon GMT temperatures.

هكذامن الأجل